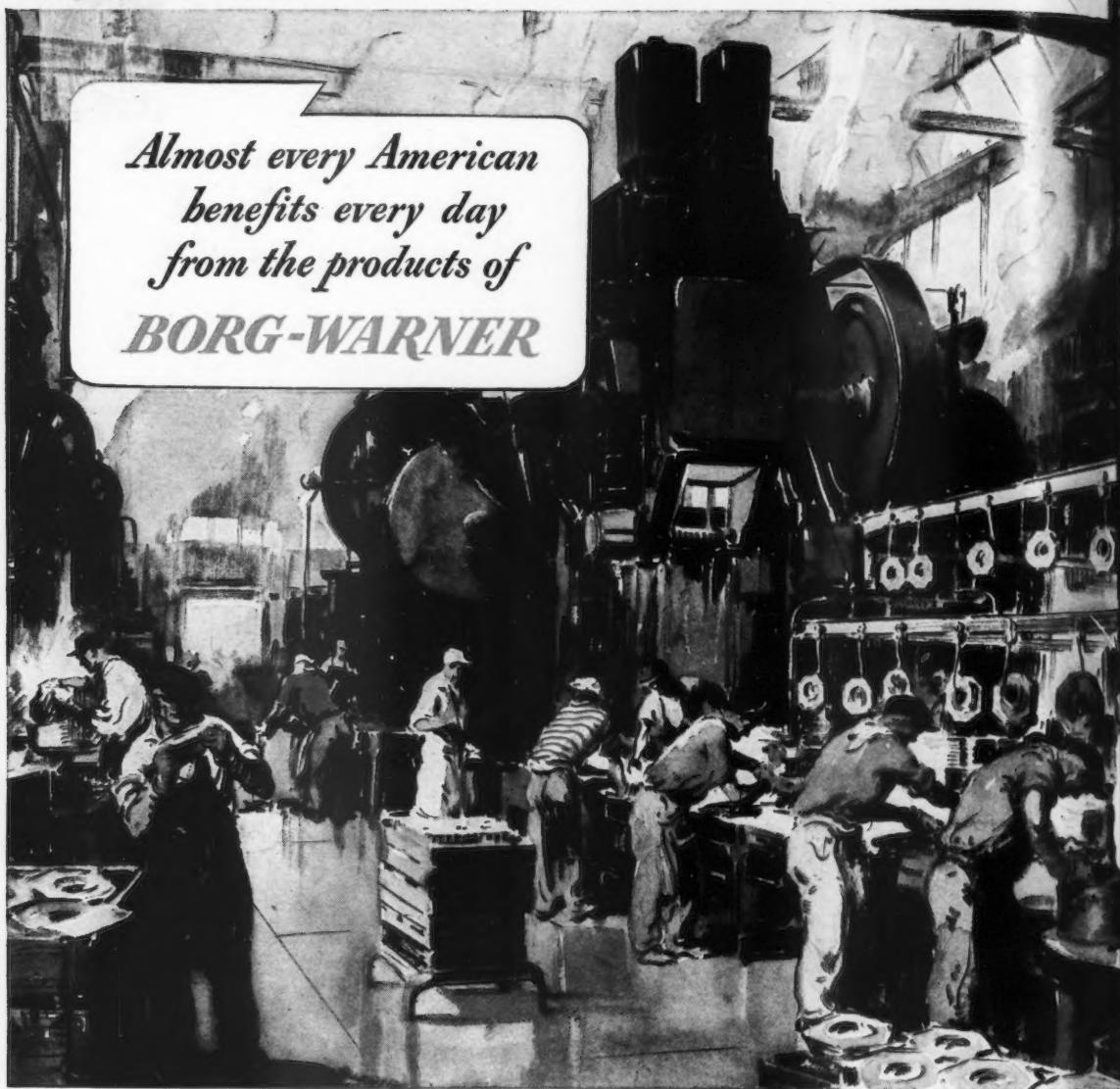


BANKING



Invitation to Veterans (page 63)

*Almost every American
benefits every day
from the products of
BORG-WARNER*



A NATION ON WHEELS depends mightily on Borg-Warner. Here James Sessions paints his impression of the Borg & Beck plant in Chicago, the world's largest maker of automobile clutches.

Makers of essential operating parts for the automotive, aviation, marine and farm implement industries, and of Norge home appliances.



These units form Borg-Warner: BORG & BECK • BORG-WARNER INTERNATIONAL • BORG-WARNER SERVICE PARTS • B-SUPERCHARGERS, INC. • CALUMET STEEL • DETROIT GEAR • DETROIT VAPOR STOVE • INGERSOLL STEEL & DISC • LONG MANUFACTURING • MARBON • MARVEL-SCHEBLER CARBURETER • MECHANICS UNIVERSAL JOINT • MORSE CHAIN • NORGE • NORGUE MACHINE PRODUCTS • PESCO PRODUCTS • ROCKFORD CLUTCH • SPRING DIVISION • WARNER AUTOMOTIVE PARTS • WARNER GE

The odds are that Borg-Warner made the clutch in the make of car you drive. For Borg & Beck, illustrated above, is but one of three great Borg-Warner divisions which, from the days of the very first motor car, have contributed most of the important clutch improvements.

This is just one field in which Borg-Warner plays an important role. The products and engineering ingenuity of the 28 plants that make up Borg-Warner, benefit almost every American every day. For example,

Borg-Warner products are found on 9 out of 10 farms, in 9 out of 10 airplanes as well as in 9 out of 10 makes of automobiles. And Norge refrigerators, ranges and washing machines make the homes of millions more efficient and livable.

There are many great new advances at Borg-Warner about which you'll soon be hearing. For Borg Warner's guiding principle, "Design it better, make it better," is always working to bring you ever better products at ever lower costs.

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Just a Minute



"Holy cats, Mom! Things must be tough this year!"

Covernen

Most communities are decidedly housing conscious these days. An unprecedented demand for places to live exists across the country, and bankers face an unusual opportunity in helping make the new homes possible.

This is not the place for a discussion of mortgage lending, but we should explain here that the group on our cover this month is discussing, at Worcester, Massachusetts, a simplified mortgage merchandising plan developed by the Mortgage Research and Advertising Departments of the American Bankers Association. The heart of the plan is a series of monthly mailings to prospective home buyers and builders, prepared by the Small Homes Council of the University of Illinois. BANKING told the story last month.

There's a report on the Worcester meeting on page 63, where you can also meet the men pictured.

(CONTINUED ON PAGE 3)

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

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Joyously, this Christmas sees the World

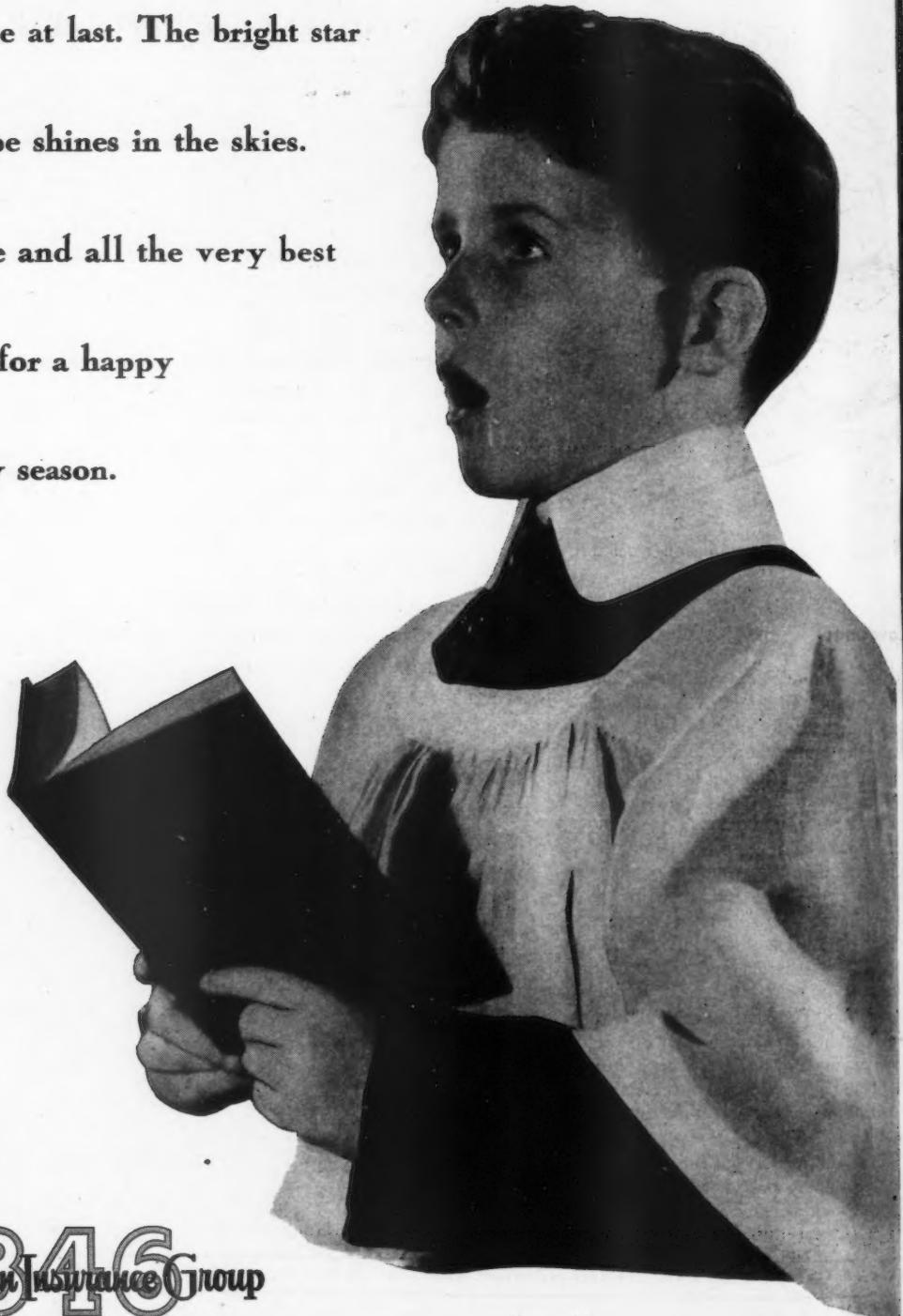
at Peace at last. The bright star

of Hope shines in the skies.

To one and all the very best

wishes for a happy

holiday season.



1846
THE American Insurance Group
Newark 1, New Jersey

The American Insurance Company • Bankers Indemnity Insurance Company • The Columbia Fire Insurance Company • Dixie Fire Insurance Company • The Jersey Fire Underwriters

JUST A MINUTE—Continued

Your Business

SENATOR HARRY F. BYRD of Virginia, head of the Joint Committee on Non-Essential Expenditures, writes pointedly on the subject that's perhaps dearest to his heart—government spending—in the article "Inflation Is Your Business" (page 33).

The Senator, among other things, lists some government agencies that ostensibly have been abolished, although their functions—and staffs—have only moved to other departments.

He also goes into the question of the vast mechanism that is the Government today, the need for retrenchment at a time when spending, both public and private, feeds the inflation we're theoretically trying to starve.

\$15,000 a Loaf

INFLATION? Read this one:

A friend of one of BANKING'S staff, writing from China last August (the letter reached New York in mid-November) reported:

"A loaf of bread costs \$15,000, a tomato \$8,000, a bar of common soap \$25,000, an egg \$5,000, and so on. Maxwell House is \$700,000 a pound."

Those prices are Chinese money, of course.

"Victory," remarked the writer, "has left us rather flat."

Recent Bank Birthdays

NO. 75—The SEATTLE-FIRST NATIONAL BANK of Seattle; the CONTINENTAL BANK AND TRUST COMPANY of New York; the FIRST NATIONAL BANK of Hightstown, New Jersey.

No. 70—The SECURITY-FIRST NATIONAL BANK of Los Angeles.

No. 50—The GUARANTY BANK AND TRUST COMPANY of Alexandria, Louisiana.

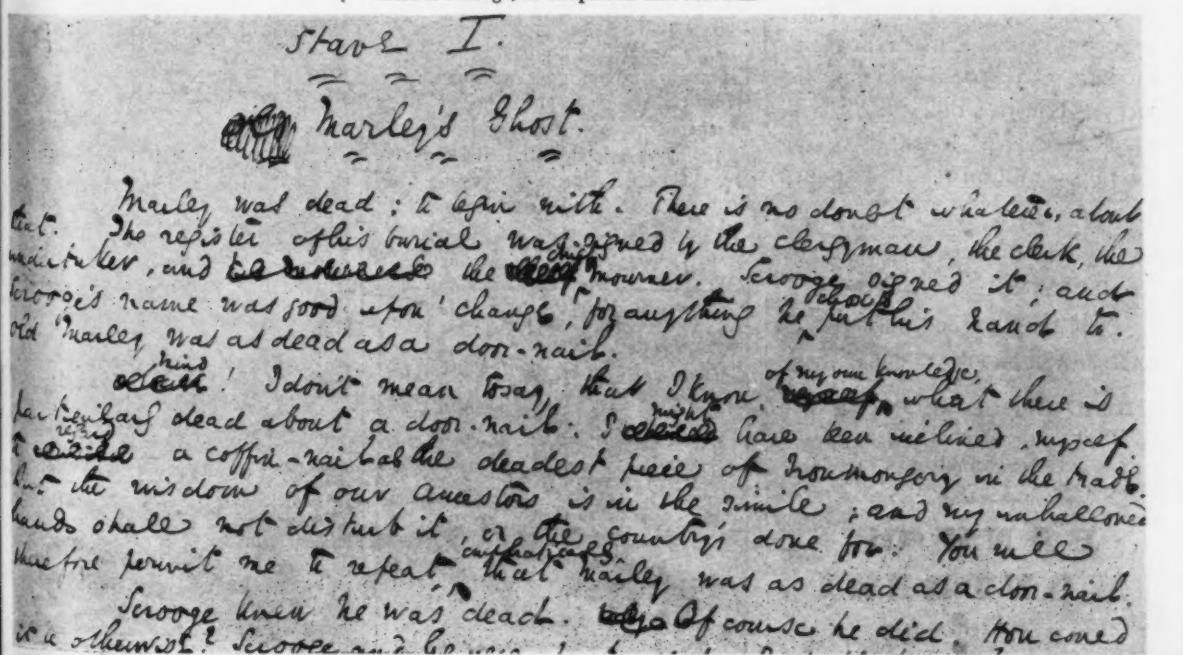
No. 40—The LINCOLN NATIONAL BANK AND TRUST COMPANY of Fort Wayne, Indiana.

"Marley Was Dead. . . ."

AMONG the literary treasures in The Pierpont Morgan Library, New York City, perhaps none is more precious, or more popular with visitors, than the manuscript of "A Christmas Carol." Usually, as Christmas approaches, the Library exhibits the little sheaf of heavily revised pages so that friends of Tiny Tim and old Scrooge can see just what the printer saw—with a groan, if we know printers!—when he undertook to give Dickens' book to the world.

BANKING thought its readers would be interested in having a look, too, and received the Library's permission to picture the manuscript as a seasonal touch to the magazine's December issue. Here's part of the first page of a story which a critic once said had "done more good than all the pulpits in Christendom." We're sorry there wasn't room to reproduce more of it.

Here is Scrooge, as the printer first met him



Saturday's Banking

AFTER receiving numerous inquiries as to the trend of banking opinion on Saturday closing, we decided to put this question to clearinghouse associations throughout the country:

"Are the banks in your group giving any current consideration to the question of Saturday closing?"

Some replied in a word, and that was "No." Others answered at greater length, giving reasons for the views they held on the subject. The discussion, thus developed, was interesting.

We shall not tell you about it here. Read for yourself, in "Saturday's Business," what banks have to say. We'll help to this extent: the page number is 33.

Can You Put It in Writing?

SOME years ago LEWIS F. GORDON, vice-president of the Citizens & Southern National Bank, Atlanta, asked himself a hypothetical question.

If an important prospect queried his bank for good reasons why it should open an account with his institution, could the answer be put in writing—"not in glittering generalities but in a logical, factual presentation predicated entirely on values" for the company? In other words, could the bank adapt the sales presentation technique—a written statement "translating service and markets in terms of specific interests" of the prospect?

In his article "How to Sell New Customers" Mr. GORDON explains.

**American Bankers
Keep Reliably
Informed on
Canadian Conditions**

Any bank executive may have our monthly bulletin—"Business Summary"—by writing to one of our American Offices or to the Head Office in Montreal.

This bulletin, briefly reporting industrial and trade conditions, is condensed from information received by the Bank of Montreal from branches throughout Canada and Newfoundland.

Executives of banks doing or contemplating business with Canada are invited also to make specific inquiries regarding conditions affecting their business or interests. Such inquiries may be directed either to our American representatives or to the Head Office.

Our Offices in the United States are open doors to Canada for all the modern, experienced banking services of Canada's oldest bank, with assets of over \$1,500,000,000 safeguarding a million deposit accounts.

NEW YORK: 64 Wall Street
CHICAGO: 27 South LaSalle St.
SAN FRANCISCO: 333 California St.

HEAD OFFICE—MONTREAL
Branches throughout Canada and
Newfoundland

**BANK OF
MONTREAL**

ESTABLISHED 1817

Welcome!

THAT'S the word architecture is to carve, figuratively speaking, above the door of Tomorrow's Bank—the new building so many bankers are planning, come the day they can have it.

Because of the wide interest in this subject, BANKING made a survey of trends in functional bank design. We found, to quote from the first of our series of articles covering the inquiry, that:

"The Bank of Tomorrow will shed its fortress-like austerity, its archaic bars and cages, its cold impersonality, for new materials and designs that connote warmth and friendliness. There will be a definite trend to the classic modern in over-all architectural treatment, with a tendency to soften the severity of interiors with color, paneling and other informal materials. While preserving the distinctive character of its business, the modern bank will rival in beauty of appearance and functional layout the other modern establishments now going up along, or planned for, America's Main Streets."

The first article discusses the use of glass in improving the appearance and utility of their business homes.

The G.S.B.

NEARLY 11 years ago—February 1935, to be exact—BANKING published an article announcing that the American Bankers Association was establishing at Rutgers University a Graduate School of Banking for "properly qualified bank officers." The School held its first session that June.

Many men had a share in its establishment, and many have contributed to its outstanding success as an adult education project. But none has done more for the School than its director, Dr. HAROLD STONIER. His vision fore-

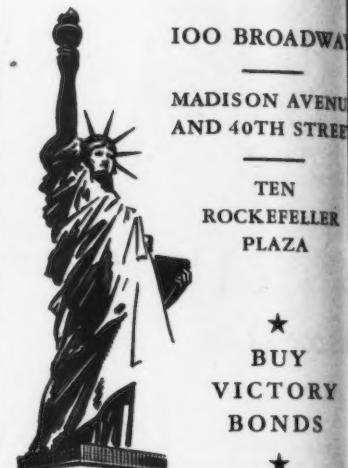
(CONTINUED ON PAGE 6)

"Thanks, I'm just anticipating!"



THE NEW YORK TRUST COMPANY

Capital Funds Over \$50,000,000



Member of Federal Deposit Insurance Corporation

THE AMERICAN APPRAISAL COMPANY



Valuations
Property Records
Depreciation
Studies

Established 1898

BANKING

A NEW PLANE FOR A NEW WORLD

The Martin 202

• Obsoleting all commercial aircraft of her class, the new Martin 202 ushers in a new era of progress in air transportation. Via the Martin 202, you will fly more than 100 miles per hour faster than today's transports. Via 202, you will travel in unsurpassed comfort, with every up-to-the-minute convenience at your disposal. And via 202, you will enjoy swift luxurious air travel at a cost lower than first class railroad rates. We give you more facts about this great new airliner in the panel below. THE GLENN L. MARTIN COMPANY, BALTIMORE 3, MARYLAND



SOME OUTSTANDING FEATURES OF THE NEW MARTIN 202

- * Cruises at a speed approaching 300 m. p. h.—upward of 100 m.p.h. faster than present day transports.
- * On a 250 mile city-to-city hop, direct flying costs, exclusive of operating overhead, are less than one cent per seat mile.
- * Various interior arrangements carry 30 to 42 passengers—in luxury unsurpassed by even the largest 4-engine airliners flying today.
- * Equipment is located below floor, easily accessible for servicing through exterior hatches.
- * Flexible Mareng fuel cells cut maintenance costs and contribute to safety.

- * The Martin 202 is engineered specifically to meet Air Transport Association specifications. Not just designed for the airline but by the airline—custom-built by Martin—to the most exacting standards of the air traveler.

Martin
AIRCRAFT

Builders of Dependable



Aircraft Since 1909

- * Three large exterior doors, and two large doors between passenger and cargo compartments, permit swift loading and unloading to cut waiting time at airports.

- * Will utilize every new electronic device, including radar, to permit all-weather flying.

- * Embodies such improvements as reversible pitch propellers, heat anti-

icing, laminar flow wings, tricycle landing gear.

- * Has far more cargo and baggage space (525 cu. ft.) than any transport of comparable size.

- * Utmost passenger comfort assured by comfortable roomy seats, plenty of head room and leg room, large windows, modern heating, ventilating, soundproofing and lighting.

JUST A MINUTE—Continued

—SPECIALISTS IN—

United States Government Securities

Federal Land Bank and Other Agency Issues

Territorial Bonds ★ Municipal Bonds

C. J. DEVINE & CO.

48 Wall Street, New York 5, N. Y.

Chicago • Boston • Philadelphia • Pittsburgh • Cleveland
Cincinnati • St. Louis • San Francisco

Direct Wires to all Offices



"Your credit department is inefficient. It's allowed me to buy more than I can pay for!"

saw its place in banking and his leadership made its potentialities real.

In the present issue of the magazine Dr. STONIER reviews the school's early and current problems, its service and its experience. He also—and the several hundred G.S.B. men will be particularly interested in this—suggests some ways for enabling it to do an even better job.

Public Relations

THE Missouri Bankers Association has an extensive public relations program. A feature of it is the annual invitation to Missouri newspaper editors to attend the association's group meetings.

The plan has worked well, reports Secretary ROBERT E. LEE HILL. It has quickened the journalists' interest in banking matters, has reminded them that banks are newsworthy.

It has also served to stimulate the planning of bank advertising campaigns and to increase bank advertising space in the daily press of the state.

JAMES P. HICKOK, president of the Manufacturers Bank and Trust Company, St. Louis, and head of the association, has appointed the president of the Missouri Press Association to membership on the public relations committee of the state group, and has invited that editor to speak at a bankers' conference at the University of Missouri early next month.

"We haven't asked the newspaper folks for anything," reports Mr. Hill. "We simply believe that the Missouri Press Association and the Missouri Bankers Association, and other statewide organizations which are looking for every opportunity to promote the welfare and progress of the state, have much in common and should work together like pitcher and catcher."

(CONTINUED ON PAGE 11)

INDUSTRIAL ASSETS

Excellent labor conditions, inexpensive power, and sound banking facilities have combined to make Buffalo the ninth ranking industrial center of the United States.

The Marine Trust Company has been associated with the industrial development of Buffalo since 1850.

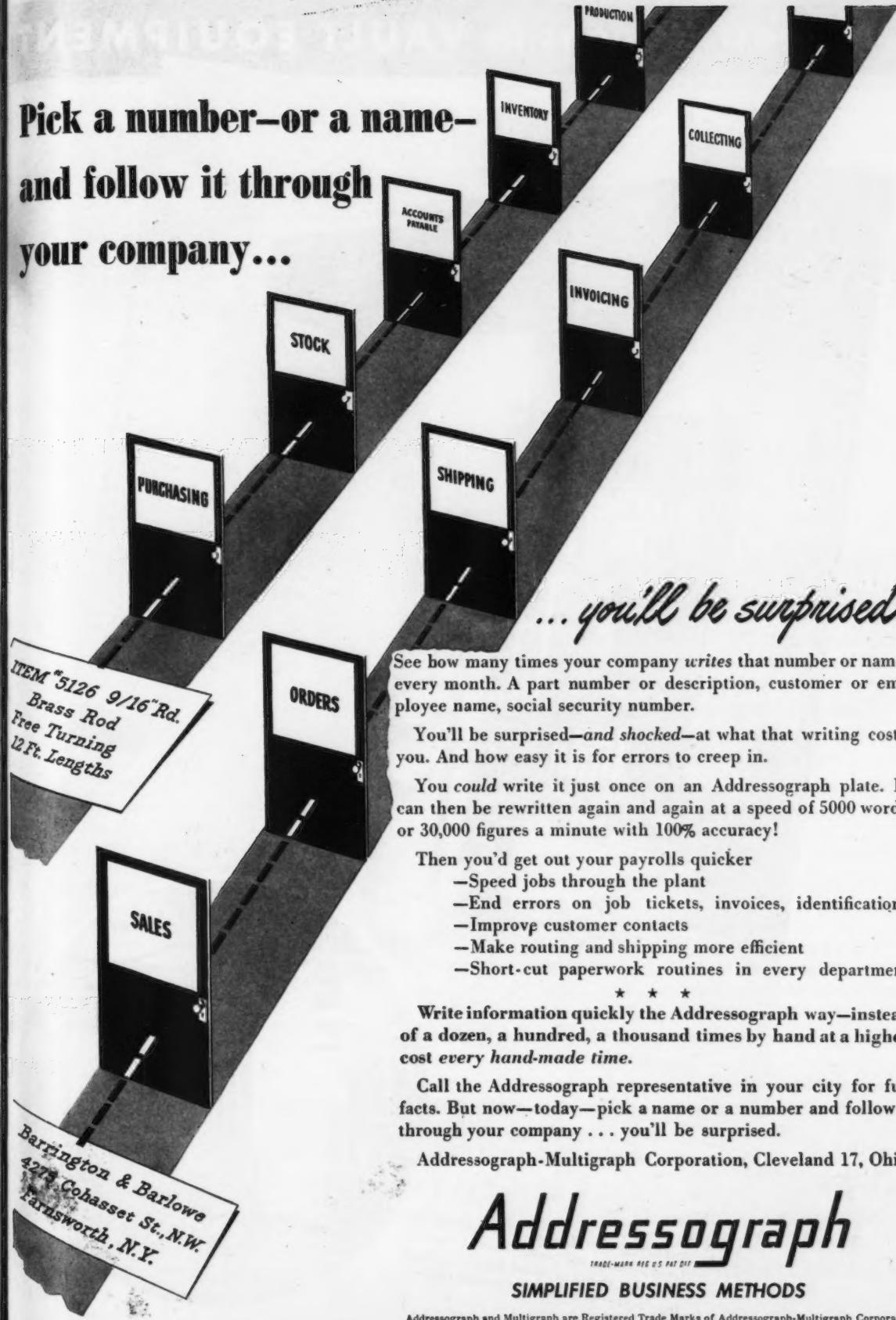
Member of Federal Deposit Insurance Corporation



MARINE TRUST COMPANY

Buffalo's Oldest and Largest Commercial Bank

Pick a number—or a name—and follow it through your company...



...you'll be surprised

See how many times your company writes that number or name every month. A part number or description, customer or employee name, social security number.

You'll be surprised—and shocked—at what that writing costs you. And how easy it is for errors to creep in.

You could write it just once on an Addressograph plate. It can then be rewritten again and again at a speed of 5000 words or 30,000 figures a minute with 100% accuracy!

Then you'd get out your payrolls quicker

- Speed jobs through the plant
- End errors on job tickets, invoices, identifications
- Improve customer contacts
- Make routing and shipping more efficient
- Short-cut paperwork routines in every department

* * *

Write information quickly the Addressograph way—instead of a dozen, a hundred, a thousand times by hand at a higher cost *every hand-made time*.

Call the Addressograph representative in your city for full facts. But now—today—pick a name or a number and follow it through your company . . . you'll be surprised.

Addressograph-Multigraph Corporation, Cleveland 17, Ohio.

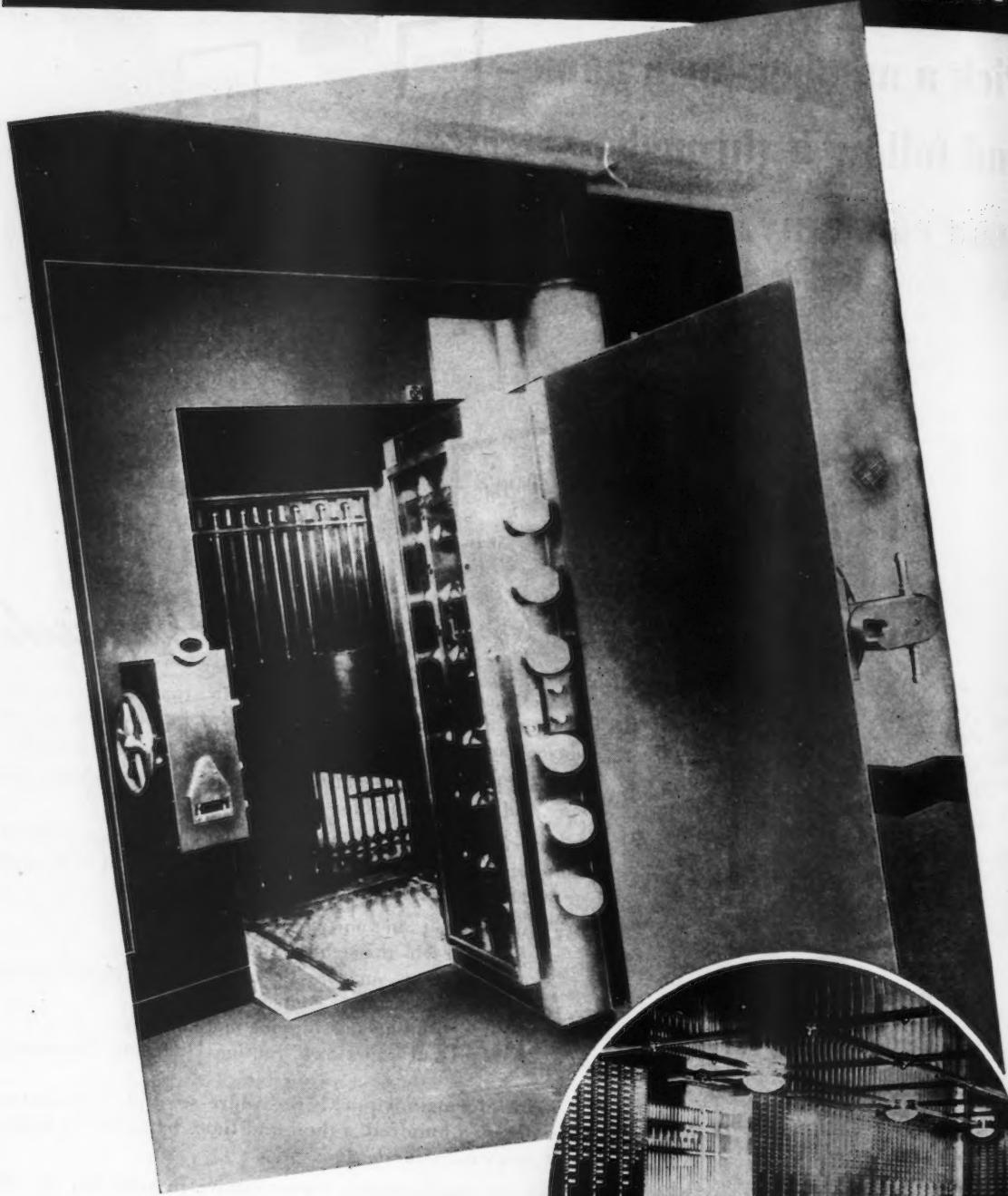
Addressograph

TRADE-MARK REG. U.S. PAT. OFF.

SIMPLIFIED BUSINESS METHODS

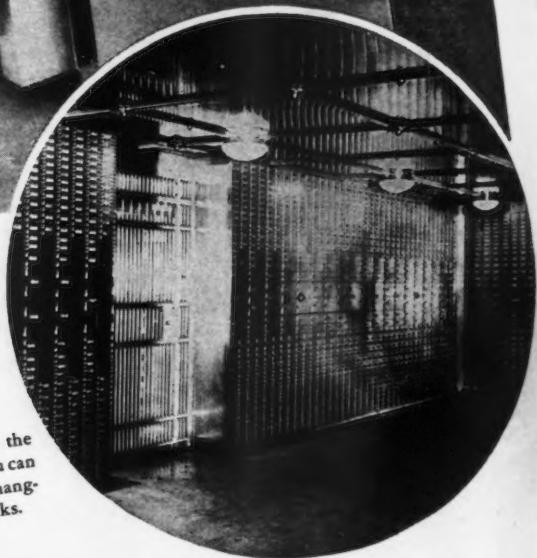
Addressograph and Multigraph are Registered Trade Marks of Addressograph-Multigraph Corporation

Newest Designs in VAULT EQUIPMENT



DIEBOLD Vault Doors offer the maximum in physical protection with modern designs that symbolize strength and security.

DIEBOLD Safe Deposit Vaults offer the latest in design and positive control. You can have your choice of sealed key, key changing, locks—or match your present locks.



STREAMLINED RECORD SYSTEMS



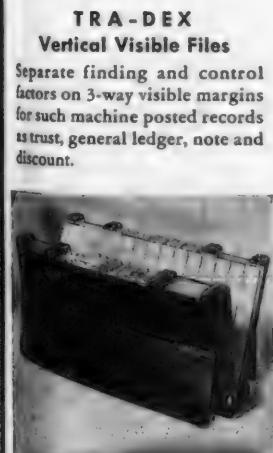
NIGHT DEPOSITORIES

Cement firmly favorable relations with depositors who need after-hours banking facilities.



CARDINEER Rotary Card Files

Speed reference and posting for such records as signature, real estate and central file.



TRA-DEX Vertical Visible Files

Separate finding and control factors on 3-way visible margins for such machine posted records as trust, general ledger, note and discount.

With the war over, the rehabilitation of bank equipment and systems is a "must" with countless institutions. Diebold is ready to serve you—with improved equipment designs and streamlined record systems.

Diebold also is ready with advanced fire and burglary resistive doors and vaults—and other bank equipment which has made Diebold a famous name for over 86 years.

The Diebold post-war line embodies the "know-how" gained during these many years plus the wartime experience in producing armor plate for Uncle Sam.

Consult the Diebold man now! He is qualified to give you sound advice—to recommend exactly the equipment which will best serve your needs. Contact our nearest branch office—or wire, phone or write us at Canton.



COUNTER CASHGARDS

Discourage attempted holdups and preserve bulk sums against loss.



FLEX-SITE Visible Binders

Control with top or bottom visibility such active records as safe deposit, payroll and mortgage loan.

SAFE-T-STAK Steel Storage Files

Established themselves as the preferred files in pre-war years and are now available exclusively as a Diebold product.

DIEBOLD
INCORPORATED
CANTON 2, OHIO

Since 1859



RECORD SYSTEMS • FIRE & BURGLARY RESISTIVE SAFES & DOORS
HOLLOW METAL DOORS • BANK VAULT EQUIPMENT • MICROFILM



GOOD NEIGHBORS ARE *Also Good Customers*

The great buying power of Latin America, represented by a vast accumulation of available dollar exchange, is engaging the attention of American exporters as the United States again prepares to send goods in volume to her neighbor republics.

As our exports grow, the farmer in Chile will eventually get his new tractor; the Brazilian industrialist, new factory equipment; and our new household appliances will put a twinkle in the eyes of many a Colombian housewife. Our "good neighbors" are also "good customers."

The Chase Foreign Department can be of invaluable assistance to American exporters and

importers. For the Chase Foreign Department has long maintained close relationships with correspondent banks throughout Latin America, chosen for their efficiency in transacting foreign business as well as their intimate knowledge and understanding of local business conditions.

Through these correspondents, the Chase is able to offer aid, in the form of accurate information and complete facilities, to the American businessmen who will share in the coming great volume of trade. These Chase facilities which are always at the disposal of our domestic correspondent banks provide a valuable service for their own customers.

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK

HEAD OFFICE: Pine Street corner of Nassau

LONDON—6 Lombard Street • 51 Berkeley Square • Bush House, Aldwych

Havana • San Juan • Panama • Colon • Cristobal • Balboa • Office of Representative: Mexico City

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JUST A MINUTE—Continued

Country Banking

EVERY so often—and this is one of those times—we are impelled to remind country bankers of our department by that name. Many of them, as a matter of fact, don't need to be reminded; they are (bless 'em!) Constant Readers, the delight of every editor.

In this department each month we try to report on forward-looking, constructive activities, in which banks are taking part, directed toward better farming, better banking, better service, better communities. Much of the material concerns agriculture and banks' relations with it. We have had numerous compliments on the usefulness of these articles, long and short.

For example, PAUL H. WALSER, state conservationist for Texas, Soil Conservation Service, U. S. Department of Agriculture, read "with a great deal of appreciation" W. W. Campbell's "The War Against Soil Wasting" in our August issue. Stories such as this, Mr. WALSER believes, carried in publications such as BANKING, "will do a great deal of good in awakening bankers and the general public to the necessity for soil conservation."

This month's instalment of "The Country Banker" has a report by HAROLD SEVERSON, associate editor of the *Southern Agriculturist*, on what Putnam County, Tennessee, is doing to meet a serious challenge. There are also two-pages on the Fall meeting of the A.B.A. Commission on Country Bank Operations, where important plans were projected, and a story on the Fall meeting of the Agricultural Commission. In "News Around and About" you'll find sundry items on various things banks and bankers are doing to be of greater service.

"I've been saving these until you got home. What did you say in those empty spaces?"



Your CUSTOMER'S INVENTORY
CAN BE MADE BANKABLE



Many American Homesteads
and Properties are SAFE-
GUARDED by important
Flood Control Dams.

Working Capital Loans are SAFEGUARDED by FIELD WAREHOUSING

MARKEABLE Inventories (raw or finished), the basic asset of Manufacturers, Processors,—Producers, -Distributors,—can be speedily and economically converted into sound loan collateral, through the establishment of an actual Warehousing Operation right on the Premises of the Borrowers Business,—by a bona-fide Field Warehousing Company.

Through our skill and diversified experience in collateralizing Markeable Inventories of every description,—many Banks have found that they can make More Loans and Larger Loans
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Your Protection

- 1. Value of Merchandise.
- 2. Our Ability and skill supported by our Warehousemen's Legal Liability and Employees Fidelity Bond, underwritten by the Hartford Accident and Indemnity Co.
- 3. Our Record Stands — Not one dollar of loss to Lending Agent, Bonding Company or Ourselves.

**WRITE
NEAREST OFFICE**
For complete information
(No Obligation)

Field Warehousing Division

ST. LOUIS TERMINAL WAREHOUSE CO.
SERVING INDUSTRY FOR TWENTY YEARS
GENERAL OFFICES—ST. LOUIS, MO.
CINCINNATI • KANSAS CITY
CHICAGO • DALLAS • MEMPHIS



NOW IS THE TIME TO FINANCE

Conditions today for corporate financing are extremely favorable. Not in years have money rates been so low or the public so interested. New issues appear on the market almost daily and are absorbed rapidly. During the year ending September 30, 1945, American corporations issued almost a billion dollars of securities—\$985,478,952, according to the Commercial and Financial Chronicle—for new capital. This is nearly 50% higher than the total for the same period in 1944. Obviously no corporation executive responsible for financing will ignore this situation.

Ever since 1888, this firm has been active in underwriting and distributing sound capital issues. The list of firms whose original underwriting was done by Hornblower & Weeks is long and diversified, including aircraft, electrical equipment, drug and chemical, automobile, heavy steel products, machine tool, packaging, railroad, textile, utility, household appliances, petroleum equipment and retail stores.

Care and experience are essential in the development of financing plans, and the services of a trained, smoothly working investment house are equally important. A Hornblower & Weeks Partner can help you to deal efficiently with your financing and will be glad to discuss your situation with you in confidence and without obligation.

HORNBLOWER & WEEKS

40 Wall Street
New York 5, N. Y.

Since 1888—Financial Service
Adapted to Your Requirements

Offices:
New York; Boston; Chicago; Cleveland; Philadelphia; Detroit; Portland, Me.; Providence; Baltimore; Bangor.

"ASK 'EM TO BUY"

• Twenty-five years ago automobile accessory manufacturers, seeking to develop a market through gasoline filling stations for bumpers, windshield wipers, stop lights and other items, and wishing to create sales consciousness among filling station operators, hit upon the simple slogan of "ask 'em to buy."

Up to that time, when we stopped to buy gas we got gas . . . and nothing else. Attendants never thought to check our oil, or clean our windshield, or look at our tires . . . and they certainly never tried to sell us anything.

However, after they started asking people to buy something they got such good results that they began to feel their oats and become really sales conscious. Ultimately all the "extras" they sold to the public became stand-

ard equipment, but the filling stations went right ahead building up an effective nationwide sales organization and, when they again have something to sell, they'll be right in there pitching.

The point of this story is that banks, too, now face the problem of building effective sales organizations. They already are starting to "spot" their sales conscious people and mark them as future sales managers.

One of the easiest ways to encourage this sales consciousness is to get bank people to sell something right now. Something small, perhaps, like Personalized Checks, which are easy to sell because they are well received and don't cost much money. For \$1.25 your customers can get 200, together with a handsome gold-stamped cover. Why not "ask 'em to buy" . . . today!



"Chelsea," New York City home of Clement C. Moore, author of "'Twas the Night Before Christmas." From a painting by E. P. Chrystie

Normalcy at Kodiak

COMES a letter from O. A. TORGERSON, president of the Bank of Kodiak, Kodiak, Alaska, reporting that life at that outpost is back to normal.

Recalling experiences of the war, Mr. TORGERSON says the bank furnished all the funds for the Army and Navy, not only at Kodiak but along the Alaskan peninsula and throughout the Aleutian Islands. The finance officer at Fort Greely had a key to the bank, "as it was common practice to have large shipments of money sent West at any time of day or night." For more than two years the staff didn't wind the time clocks on the safes, and "most of the time we took turns sleeping on a couch in the bank."

"Our thoughts now turn," adds President TORGERSON, "towards building up our community, the construction of homes, and the many other things curtailed during the war."

New England

Here's an example of economy as applied to conversation. It isn't a banking story, but then, a story, like music, is a universal language and knows no barriers of profession.

Two Vermonters met on the street. Said one:

"What's new?"

"John's dead."

"Yeh?"

"Yep. Died last week. Didn't want much said about it."

JOHN L. COOLEY

BANKING

De LUXE
CHECK PRINTERS

Manufacturing Plants at:

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- When you think of the Central South, think of Nashville, a key Federal Reserve City.
- When you think of Nashville, think of the American National Bank, a banking gateway to the Central South with exceptional facilities and a desire to serve you in your best interest.

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Your bank is located right on this billion dollar "buy-way." For a year State Farm has used national advertising to tell automobile buyers, "Go to your local bank

to finance your next car!" State Farm Mutual's 1,200,000 "preferred risk" policyholders have been receiving this message direct from the 6,000 State Farm agents.

Motorists who come to you for car financing will also be potential customers for the financing of new homes and home furnishings. Is your bank ready for this big new profit opportunity?



Tells How Your Bank Can Capitalize On This Promotion!

That you may be ready to capitalize on this promotion of the State Farm Bank Plan, we have prepared a book called "New Profit Opportunities for Banks," explaining the State Farm Bank Plan and including results of a survey on policyholders' buying plans. Also a brand new booklet, "The State Farm Group Loan Life Plan—Good Will Insurance for Banks," which tells you how you can insure consumer loans at low cost. They're both free—filled with information you'll want right now! Send for one or both today, without obligation. Clip and mail the coupon to State Farm Mutual, *the world's largest auto insurance company.*


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INVENTORY is often overlooked as a source of working capital. It's almost *too* obvious!

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3. Offers — either direct or through you — a new, explanatory booklet, "Field Warehousing On Your Premises." We will gladly send you a supply for distribution.
4. For your own loan officers, Lawrence has provided a free and fully detailed book, "Inventory Financing."

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A philosophic nature? Not at all! Years ago John Clark recognized the possibility of an employee turning dishonest . . . and consulted his insurance agent. Result: U.S.F. & G.—not John Clark—will make good the loss.

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To banks—in other sections of the country and especially in smaller communities—wishing to enlarge their field of activity, The Philadelphia National is glad to offer *quality* cooperation, of which these services are typical:

Cooperation in the extension of industrial loans.

Dependable and experienced representation.

A complete Foreign Department, backed by years of experience in handling the transfer of funds into and out of the country . . . the issuing of Letters of Credit and collecting on exports. Our long-established contacts in foreign credit centers also permit us to provide immediate information on current prospects and trade trends.

If you require these or *other* services now or contemplate their need in the near future, we shall be pleased to discuss with you in detail the benefits of forming such a relationship.

THE PHILADELPHIA NATIONAL BANK

Organized 1803

PHILADELPHIA 1, PA.

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

A Banking Tintype

MR. KERSHNER, who lives in Los Angeles, tells the story of a banker who took men in payment of notes, then butchered the animals himself and sold the meat so as to keep his bank going.

IN THE thrilling story of American pioneering the banker has been greatly neglected. In the new towns of the frontier he was a respected figure, yet no one thought of him as heroic. Town boosters bragged about the local bank and always pointed out the building to visitors, but not much credit was given to the man who risked his all to establish the bank and furrowed his brows to keep it solvent. Hero worship has been reserved for quick-trigger sheriffs, fur-clad trappers and the swarthy men who drove covered wagons, dug gold and felled forests.

No one wishes to detract any glory from the bold pioneers who conquered a wilderness with ax and rifle, but more credit should be given to the men whose tools were money and credit. Without such men the frontier would have crept rather than marched across the continent.

For a closeup of one of these men who helped to oil the wheels of frontier commerce let's go back to western Nebraska in 1886. The broad prairies were rapidly filling up with eager homesteaders. Town sites were being staked out, railroads surveyed. Every man's mind was filled with high hopes and visions of big things to come. Every town had its newspaper bragging about improve-

HAYDEN KERSHNER

ments and predicting a glorious future.

Into this atmosphere of feverish activity and optimism came a young man of more than average confidence and determination. Seasoned frontiersmen may have laughed behind his back when this young fellow made known the object of his quest. The frontier was always a place of young men but even there it was unusual to hear a boy of 23 years talking about starting a bank.

This precocious youth, after graduating from business college, had learned practical banking while clerking in his home town bank at Hastings, Iowa. But he did not propose to spend his life working for someone else. He would have a bank of his own. So he resigned the security of a good job in the Hastings bank and went boldly out to the turbulent fringe of civilization.

AFTER looking over several groups of unpainted buildings squatting on the wind-swept prairies, he settled in the one named Curtis, a townlet whose business section consisted of a blacksmith shop and a livery stable. His first breakfast in Curtis was eaten in the livery stable, the wife of the proprietor wading snow and mud in a pair of rubber boots while serving the meal. But A. M. Johnson—that was his name—saw a bright future for Curtis, and he decided to start his bank there and grow up with the town.

Young Johnson must have been able to put his visions down on paper for his

letters home induced his father to sell his lumber and grain business in Hastings, Iowa, and to come to Curtis. The father, A. F. Johnson, decided to back his venturesome son with his own capital. The Frontier County Bank was organized with a capital of \$10,000, A. F. Johnson, president, and the youthful A. M. Johnson, cashier.

A YEAR later the young banker added a wife to his responsibilities, and in due course of time the care of six children mingled with the problems of finance.

The Burlington Railroad came to Curtis, bringing growth to the town and new business to the Frontier County Bank. Johnson discounted the time-checks of the railroad workers and then took the checks on the two-day rail journey to Omaha to get his money. For this and other services the Burlington gave him free passes for many years.

But the good times did not last. In the early Nineties a series of dry seasons sent the homesteaders streaming eastward. Prosperity and optimism fled from the prairies. The rosy visions of the future were blotted out by the grim struggle of the present. The panic of 1893 added the final stroke. Money deserted the frontier, and centipedes pricked their parallel rows of tiny tracks on the dusty counters of closed banks.

But the Frontier County Bank did not close. Adversity only strengthened the courage of its resourceful cashier. When distressed farmers could not pay



In this old and somewhat worn photograph, the man in the gray derby, at the end of the porch, is A. M. Johnson. The picture was taken in 1887.

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their notes, Johnson accepted livestock in settlement. He built a corral back of his house to retain these assets that would not go into the safe. There the bank examiner would find part of the resources of the bank switching flies and bawling for hay.

In an effort to turn these live assets into something liquid, Johnson shipped them to eastern markets. Some carloads did not even bring enough to pay the freight. No Reconstruction Finance Corporation, bank-guarantee fund or other agency came to the aid of this struggling banker. Nothing but his own rugged will to survive stood between him and ruin.

BUT this man had what it takes. He built a slaughtering platform near the corral. There, after banking hours, he could be found skinning a beef or scraping the hair from the carcass of a freshly scalded hog. His growing family consumed some of the meat; the rest he sold to get money to keep up his reserve. And while he worked with gory hands he kept a watchful eye on the brassy sky above, hopefully looking for signs of rain. No golf sticks and country club for him. His methods might be unorthodox but he kept his bank solvent, protected his depositors and helped many a hard-pressed home steader through those bitter years. Who can measure his contribution to American greatness?

In 1903 Johnson moved to Fort Morgan, Colorado, and established the First National Bank there. For the next 20 years he made banking history in other Colorado towns and then went to Los Angeles, California. There, family history repeated itself. Another father and son, second and third generations of pioneering bankers, established the Second Avenue State Bank.

In 1938 this rugged old pioneer closed the ledger of his life. His companion in early struggle and later triumph, Mary A. Peale Johnson, who once cooked the products of her banker-butcher-trader husband's crude abattoir is active as a writer of pioneer history. The son, A. F. Johnson, named for his grandfather and educated in his father's bank, now guides the destinies of a branch of the Bank of America.

During a war nations think it pays to hate. Later they hate to pay.

The Secretary of State said the United Nations organization is now a going concern, but he didn't say where it was going.

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THE "GOLD RUSH" THEORY OF BUSINESS FORECASTING

California-minded businessmen seek a clear forecast of the western economic picture, now that the war is over.

Significant in this thinking is the fabled California Gold Rush... and the epochal events which followed. A tremendous influx of businessmen, adventurers, and plain John Does came west in 1849. Not all of them remained, *but many did*.

This picture was repeated in the rush for homesteads, with the discovery of oil, with the sudden expansion of the movies, and latest in the series, with the industrial upsurge during the war.

A familiar picture by now. Not all the warworkers will remain, but it is safe to guess many of them will. They'll stay

to enjoy California's highest-in-history economic level.

This history-based forecast spells opportunity. To serve you in this rich market, Bank of America maintains complete banking offices in 300 California cities and towns.

"The California Trend," a factual study, will help you plan your business if your plans include California. Write Dept. AD, 300 Montgomery St., San Francisco 20, for a copy.

Bank of America, a member of the Federal Reserve System and the Federal Deposit Insurance Corporation, has main offices in the two reserve cities of California — San Francisco and Los Angeles. *California's Statewide Bank*.

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NATIONAL TRUST AND SAVINGS ASSOCIATION
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◀ RESOURCES OVER 5 BILLION DOLLARS ▶



Blue and Gold BANK of AMERICA TRAVELERS CHEQUES are available through authorized banks and agencies everywhere. Carry them when you travel.

A Wedding in a Bank

WE HAD been married 29 years when we went to the bank to sign the papers for the little farm we had arranged to buy. It was an occasion we would not forget, because we had lived here and there all these years—renting, moving, renting, moving. Now we had found a place we would like to stay in and it was all arranged for us, at last, to own a house and some ground.

The momentous time arrived, and we walked through the gate into the business room of the bank. We were presented with papers which we signed,



and informed about the portion of the year's taxes the former owner would pay, and the other details with which you who read this are so familiar. And in a few minutes we were back in the car on the way to our new farm. There would be chickens, a couple of pigs, a smokehouse, and a large garden to help fill the great big cellar with its thick stone walls. We would put a new floor in the kitchen . . . so many things we would do!

My wife said, "Going to the bank to buy the farm is just like getting married again." I said, "Yes." That was three years ago.

"Just like getting married again!" I've thought about that remark many times. It was, in our case, something like getting married. While the remembrance of the thrill of the marriage is somewhat dimmed in my mind, it wasn't in hers. But buying the farm was a thrill. And what did the bank supply in the way of ceremony or even stereotyped good wishes to heighten the effect and impress upon us that it was glad to aid in making us happy? Nothing!

I do not say this because I've turned "sour grapes." We both still like the farm. We could sell it now and take a nice profit—but we like it too well. The argument is a practical one. Banks

anticipate

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make money by loaning money, so they want to loan more money. Then why not make full use of all of the advantages this business gives them?

When the banker has decided that the prospective borrowers can meet the payments why not give them the bit of extra service that will leave that warm spot in their hearts for that bank? Don't you think the repeat business, in one form or another, would pay worthwhile dividends? My view, from outside the cage, is that it certainly would!

I can make several suggestions. A little inquiry would develop others. A neatly framed paper, well-printed, would



be cherished by the wife when a house is purchased. To her it would probably rank next in importance to her wedding certificate. What to put on the paper could easily be decided by a sentimental writer.

After the fourth or fifth payment had been made to the bank a cheerful note of thanks and good wishes and so forth would be appropriate; even a printed one might suffice. A booklet for home owners is another possibility.

The oldsters who have never purchased property before feel the need of such a friendly service. The many thousands of youngsters who will be married in the next few years will be entitled to it. Some catering to sentiment will pay. Buying a home is "just like getting married again."

Ross CUTTING,
Wakeman, Ohio

A piece of the American flag that flew over Corregidor is handed to Secretary of War Patterson by Colonel Delbert Ausmus who kept the fragment hidden during the three years he was a prisoner of war





JANUARY 2nd, 1946, will mark a new and significant step forward in the history of American Surety Company and its fleet of Bonding and Insurance companies. For on that day there will arrive among us, completely organized as a going concern and ready for business,



SURETY FIRE INSURANCE COMPANY



This new company is the result of plans that have been in the making for the past year or more to provide our Bond and Policyholders with additional lines of protection. In other words, a broader, more complete SERVICE, which, at the start, will provide practically every form of Inland Marine coverage as well as Automobile Fire, Theft and Collision insurance.

With a capital and surplus of \$2,000,000 (all

paid in by American Surety Company of New York) and a management and board of directors made up of the executives and trustees or directors of American Surety Company and its principal affiliate, New York Casualty Company, the new company will be ready to offer the public, through Agents and Brokers, the same high character of service supplied for many years by other members of the group.

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Toronto

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Mexico City

SURETY FIRE INSURANCE COMPANY
New York

A QUALIFIED OBSERVER DISCUSSES DETROIT'S FUTURE

Cyril H. Cane was British Consul General in Detroit throughout the period his country was at war.

The following are the carefully considered and thoroughly informed opinions of one whose principal duty was to analyze and report conditions objectively.

"I have seen history made in the last six years, inspiring, almost miraculous history. It has been my privilege to take many of my noted countrymen through your great plants, large and small.

"Each has expressed amazement at the production, the precision, the quality and speed, the sure development and research. They were amazed at the spirit, the resiliency, the wonder of the whole system. And I know other leaders from other countries were equally impressed. They realize that a city which could meet every problem and rise above every crisis will remain at the top.

QUALITY OF LEADERSHIP

"It has demonstrated every quality of leadership. Your war products were frequently, in the hands of patriots in far-off lands, the difference between victory and defeat. Hundreds of thousands of people will never forget that, for it is engraved in their hearts and in every foot of the lands they loved which have now been liberated.

"This city of yours will add to its magnificent stature, a tremendous power, which, I am sure, will contribute as magnificently to the peace and prosperity of the world as it has contributed and will contribute to complete and final victory."

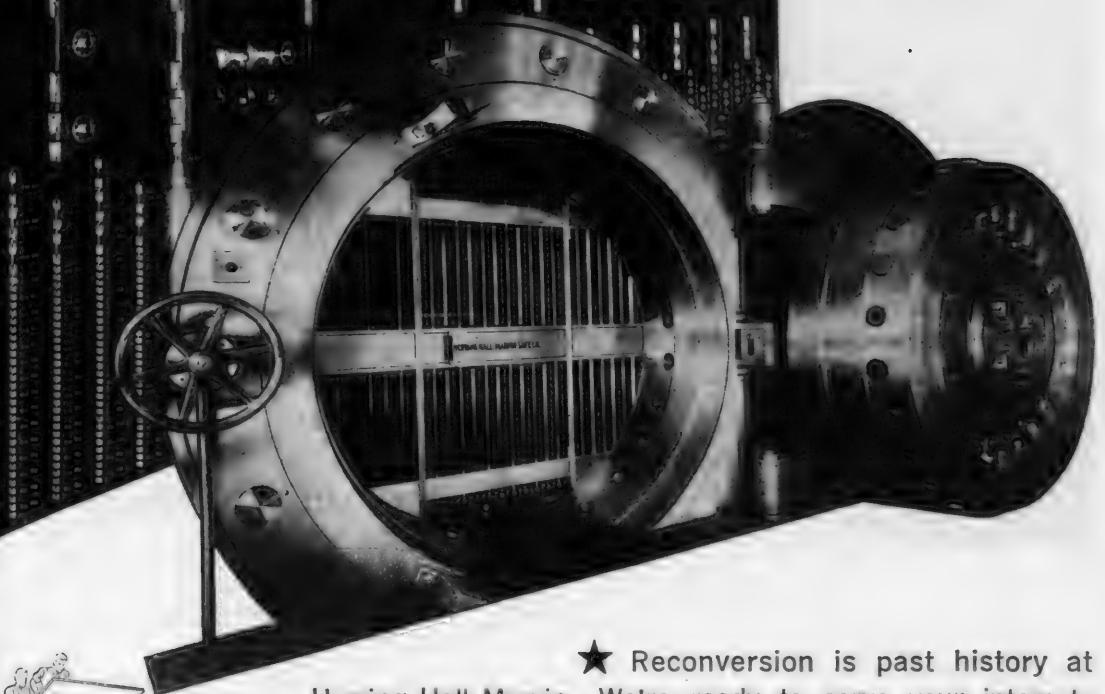


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The mortgage for his home includes *operating equipment!* It covers all these General Electric aids to better living, electrically.

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- An All-Electric Laundry with washer, dryer, ironer, and plenty of hot water from an automatic heater.

He is pleased, too, because including this equipment under the realty mortgage makes only a slight increase in "first" cost.

And with G-E Appliances his home can run more economically. Their efficiency reduces operating expense. Their

dependability cuts maintenance bills. And these economies will more than offset the slightly higher monthly payments.

The banker is pleased because...

he knows that a satisfied homeowner is a better mortgage risk. Such a man will plan to live in his home for many years. He will be more likely to keep it in first-class condition physically and financially!

This long-term satisfaction gives assurance of prompt, regular payments for the life of the mortgage.

Send for G-E's free booklet.

If you are interested in the inclusion of operating equipment on your realty mortgages, send for the G-E Booklet, "Your New Home And Your Pocketbook." Write today, to Home Bureau, General Electric Co., Appliance and Merchandise Department, Bridgeport, Conn.



THE APPLIANCES MOST WOMEN WANT MOST

GENERAL ELECTRIC

Around Our Bank



There was once an elderly lady who could not decide between two banks. Considerable rivalry existed between these two institutions. The older bank capitalized in its advertising on experience; the newer, on its modern methods. The presidents of both were popular, and both were aggressive in seeking business. Friends of both found it difficult to choose which bank to patronize.

One conscientious old lady, distressed by the situation, solved her dilemma in an unusual way. Calling on the president of the "old" bank, she let down her hair by confessing, "I just don't know what to do. You're a friend of mine and so is Mr. Gray. If I put my \$800 in your savings department, Mr. Gray will feel hurt, and if I put it in his bank, you will. I want to give you both some of my business, so I've decided to put my money in the new bank and let you take care of my deeds and papers for me. Don't you think that will be a fair division?"

Although he felt he was getting the better end of the deal, the head of the "old" bank, a courteous and kindly gentleman, assured the perturbed customer that the arrangement seemed to be quite equitable and that there would be no hurt feelings.

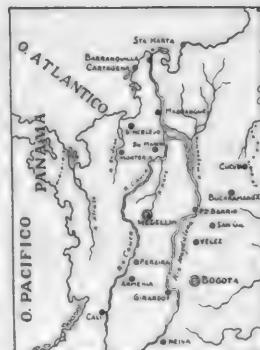
Years later, however, it gave him pleasure to relate the incident to Mr. Gray, rallying him on the fact that while the "new bank," during the 15 years it had carried the account, had paid the scrupulously fair old lady some \$480 in interest, at the then prevailing rate of 4 per cent, the "old bank," which had kept the customer's papers in its vaults for all those years without charge (for it had no safe deposit box department), had at least been put to no expense by their mutual friend's painstaking attempt at strict impartiality.

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By the Way

A banker recently caught a 60-pound fish off the coast of Florida and in inscribing the feat dislocated both shoulders.

A friend is a person who dislikes same people you do.

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The best way to keep up with thousands of new books is to read just a few of the old classics.

Millions of Americans may have the mentality of children. But if you have tried to work your child's arithmetic, you may think that's not so bad.

What our engineers should concentrate on is an automobile that will get over railroad crossing after the gates are down.

The only recognized Liberal party in this country is father.

The Duke of Windsor recently returned to England. Now if he will start falling off his horse regularly the good old days will be here again.

About the only difference between history and hysteria is the spelling.

It is almost getting so a respected person is ashamed to carry a modern book.

You can say one thing at least for the United States. It's about the only country where the people don't want to move another country.

If all the pedestrians were laid end to end, it would greatly simplify the task of bus drivers.

Modern children run about everywhere around the house except the vacuum cleaner, the lawn mower and the washing machine.

The fellow who puts up the bill board on country roads must have some sense of beauty because he always picks out the best views to obstruct.

Some day an enterprising sponsor is going to put a Latin American revolution on the radio.

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STARTING LINE

Beginning with V-J Day and continuing through the plant clearance and inventory period, the Beech plant has lacked the sounds of production.

Now the sounds of rivet guns, presses, drop hammers, and compressors again are heard. The production of peacetime airplanes has begun at one end of the plant while the war surplus clearance goes on at the other.

The modest beginning of a production line shown above is like the first sign of Spring. It forecasts the future. Soon there will be several production lines operating, with new peacetime

BEECHCRAFTS leaving them for all parts of the world, to contribute to the reconstruction efforts of all nations.

★

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C O R P O R A T I O N

WICHITA, KANSAS, U. S. A.

BEECHCRAFTS DID THEIR PART

DECEMBER 1945



HARRIS & EWING

An aerial view of the United States Capitol

Inflation Is YOUR Business

HARRY F. BYRD

The author is a United States Senator from Virginia and is chairman of the important House and Senate Joint Committee on Reduction of Nonessential Expenditures.

HARDLY one taxpayer in a thousand, in my opinion, realizes the connection between governmental extravagance and the increasing cost of living. A pair of men's shoes which cost \$5 before the war costs \$6.50 today, and the quality is not as good. An ordinary cotton sheet that used to cost \$1 today costs \$1.59.

When the Government spends money it doesn't have in the first place, and when that money directly or indirectly is created for the Government's purposes, that is outright inflation of the supply of money. During the war the Government paid millions of workers for producing arms and other goods that later were destroyed or given away. But the money paid to those workers in large part remains in existence today while what they produced is not for sale. The same is true of the dollars paid to men and women in the Army and Navy, and to their dependents. Although the original recipients may have spent the money so received, the money itself in large part is still in existence somewhere, and that helps explain why prices are rising and the cost of living is going up.

My point may be clearer if you will imagine the Government balancing its budget not by cutting expenses, but by increasing taxes. Tax collections then would have to increase by the amount of the deficit. Thus, if

you are the head of a family with two children and earning \$3,000 a year salary, instead of paying \$190 income tax next year, you would have to pay \$310. Every taxpayer would be shocked into realization of what waste in government means. Instead, we let the waste go on and delude ourselves that we can escape the effects of inflation. Yet only a few weeks ago the Congress actually reduced taxes in the absence of any sign that the Federal budget will be balanced in the visible future.

Therefore when you read, for example, that a war agency like the FEA has been "abolished" and afterwards learn that out of its 3,400 employees, 2,900 together with most of its funds—have been transferred to other departments of the Government—well, it is not just an amusing statistic. The millions of government employees may all be doing their work conscientiously, and it may be necessary to have an enormous governmental establishment; but our standard of living depends on how much wealth we produce, and government work generally speaking is not wealth-producing. Our government workers are fed, housed and clothed by the labor of others. If you are not a government worker, you are helping to pay for the support of the Federal bureaucracy.

American genius, manpower and money harnessed to allied requirements were the margin of victory in the

greatest and most destructive war of all time. Now that job of destruction is done, and it is time to reconvert these elements of might to creative peacetime production, and demobilize the governmental devices which regimented them into emergency channels.

There has been a tremendous popular demand for rapid demobilization of military forces, and it has been effective. The Government itself anticipated the popularity of rapid reconversion of industry and, to a degree at least, cut it loose from priority contracts. But there is no clamor for reduction in the cost of government or demobilization of the vast army of civilian employees on the Federal payroll.

Yet here we are with hundreds of emergency war agency units piled upon hundreds of emergency prewar and depression agency units, all sapping people. The money to pay these needless workers and the workers themselves, should be engaged in profitable creative production. There is little support for any effort to prevent them from hanging on to perpetuate the gigantic bureaucracy which, according to the most conservative estimates, will cost annually amounts equal to one third of the total national income earned in 1929.

STAR-GAZING Treasury experts, fumbling with their fiscal astrophysics, say maybe we shall balance the Federal budget in 1947, but unless we choose to base predictions on national income which will level off at twice that of 1939, the last prewar-emergency year, there is in sight only the continuation of deficit spending which began 15 borrowing years ago.

The war in Europe has been over more than six months, and the war in the Pacific more than three months. We have canceled some war contracts, and it has taken Congress months of bickering to bring out a revisions bill cutting back current appropriations which were justified when both sides of the war were in their most expensive stages. The Federal civilian payroll still totals approximately three and a half million employees who are being paid \$9 billion a year, and, because the cost of shoes and sheets has gone up, the Civil Service Commission is advocating a 20 per cent increase in base pay schedules. Much of the military pay reduction will be canceled out by increased pensions and GI emoluments.

The Supreme Court building in Washington is one of several government structures erected in recent years

HARRIS & EWING



Children now 15 years old never lived in a year when Federal revenue equalled Federal expenditures, but they have lived through years when American taxpayers—their parents—paid more, and larger percentage of their earnings, to the Federal Government than ever before. It is difficult to foresee how many generations will be oppressed by the \$300 billion dollar debt burden—principal and interest. The interest alone exceeds the total revenue of the Federal Government in any year prior to 1941.

The war emergency was occasion for creating countless new government functions, and hundreds of new Federal agencies. Despite publicity to the contrary, only a few straggling functions have been terminated, and so far as I know only the Office of Censorship, among the major agencies, has gone out of business. The others have learned from their older brothers and sisters—the depression agencies and functions—the art of getting themselves, their employees and their appropriations, transferred wholly or in part to some less obvious location in some other agency. Current examples are:

Office of War Information—Domestic activities, with some exceptions, were abolished, but all international informational functions with funds and personnel were divided and transferred to State Department and Budget Bureau.

Office of Inter-American Affairs—foreign information functions with personnel and funds transferred to State Department.

Retraining and Reemployment Administration—transferred from Office of War Mobilization and Reconversion to Labor Department, along with personnel and funds.

National War Labor Board—most functions, employees and funds transferred to Labor Department.

War Manpower Commission—functions, personnel and funds divided and transferred to State Department and Federal Security Agency.

Office of Strategic Services—most functions, funds and personnel divided and transferred partially to State Department and War Department.

Office of Economic Stabilization—transferred bodily to Office of War Mobilization and Reconversion.

Foreign Economic Administration—transferred in parts to the Department of State, Department of Commerce, Department of Agriculture, and the Reconstruction Finance Corporation.

War Production Board—name changed to Civilian Production Administration.

So we see what is happening to war emergency agencies. It is not a new story. The same thing has been happening to prewar emergency agencies for 15 years.



Senator
Byrd

TURGEON

Examples of the results in Federal Government:

Twenty-two Federal agencies or units are concerned with housing, 27 with standards and inspections, 29 with statistics, 24 with map making, 16 with education, 14 with surplus war property, 14 with safety, 27 with labor relations, 16 with waterpower and power, 10 with veterans, 20 with conservation and natural resources, 24 with rehabilitation, 22 with insurance, 21 with transportation, 93 with government lending, 37 with foreign trade, 45 with investigations, eight with pensions and annuities, 37 with public health, 27 with employment and unemployment, 305 with national defense, six with public buildings, 64 with business relations, and 44 with agriculture.

Each of these agencies not only has perpetuated its original function but it is constantly busy devising new programs to justify its continuation as a government operation with ever increasing personnel and financial requirements. Resulting largely from the transfer of war emergency agencies already mentioned here, we have, for example, personnel increases reported in September in approximately 25 per cent of the major agencies of the Government. Among them were the Labor Department, the State Department, the Veterans Administration, and others in the Reconstruction Finance Corporation, the Post Office Department, the Commerce Department, the Federal Security Agency, the Federal Works Agency, the Bureau of the Budget, etc.

We are demobilizing the WACS, WAVES, and SPARS, and replacing them in part at least with civilian employees. We are setting up a huge organization for the disposal of surplus war goods which cost us billions of dollars, and the best estimates indicate they will bring almost negligible returns. We talk of full employment accompanied by \$25 a week payments for the unemployed. We undertake to furnish relief needed by all the war distressed nations overrun by our enemies, and pray that it will not turn out to be a worldwide WPA project.

We continue all the Federal paternal meddling in state, local and private affairs with accompanying payments, grants, and loans in which we indulged before the war, and the same grabbing hands are across the

table. We continue all these things and more, and at the same time reduce taxes, actually taking off some of them the month before election. Meanwhile, the debt grows.

With the sudden opening of the atomic era, it would seem that the Federal Government is confronted with problems of incomprehensible magnitude which can be met only in the national government sphere. Perhaps it could do a better job if it would concentrate on matters of general welfare precipitated by the peace and fold its tents on the town squares where they have been upsetting the basic economic factors of the country for a decade and a half.

It cannot be denied that the Federal Government is faced with the most perplexing world problems of all time, and the manner in which it meets these obligations will determine the course of the world. It is absolutely necessary in the face of these world conditions that the United States, in assuming its position of leadership, must be invincible domestically. It is doctrine that sound liberalism and leadership must be built upon fiscal conservatism. Conditions prior to the war were sufficient to indicate the wisdom of withdrawal from the extravagancies of the Federal programs; but now our new obligations make it imperative that we abandon domestic waste and paternalism. We must not allow ourselves to approach the tremendous international situation in the "too little too late" position in which the war overtook us. Our war allies who fought the delaying actions while we tightened our belts will be in no position to repeat their heroics in an atomic peace.

As one member of the United States Senate who has fought a constant, but losing fight for the kind of sound fiscal condition which would stand any national shocks, it seems to me that with the end of the war and the opening of a new era not only in American, but also in world affairs, we must reduce domestic extravagances sharply if we are to face the future with any assurance of successful peace. Admittedly, there is no obvious demand for such a policy, but I still have faith that the American people soon will come to realize that the time for such a policy is now, that if it is not realized soon it never will be and the consequences will be disastrous.

All of us share the responsibility for the direction in which we are moving.

One of the Government's most ambitious projects, the Pentagon Building, which houses 22,000 civilian and military War Department workers and has facilities for about 20,000 more

HARRIS & EWING



Saturday's Banking

BEATRICE A. FREAR

From the replies to a BANKING letter, a member of the magazine's editorial staff compiled this cross section of nationwide opinion on whether banks should remain open Saturdays.

Since the article was written, the New York Clearing House Association and the New York State Bankers Association have recommended permissive legislation by the legislature for Saturday closings from June 1 to September 30 in New York State.

ALTHOUGH the question of Saturday closing for banks is apparently not regarded as a matter of pressing importance by most banks in the United States, a few bankers here and there are considering such a step. In a recent survey covering 250 city clearinghouse associations BANKING learned that about 4 per cent favor the early advent of Saturday holidays, and another 8 per cent consider it likely in the future. The favorable replies came mostly from the East and West Coasts and the North Central states.

The nation's largest cities generally reported that no consideration is being given to the question of Saturday closing. Most voiced no particular opposition to the idea, but found it not important enough to be given serious attention under present conditions. Several indicated that there was no point in considering it until the state legislature passed permissive legislation.

THE agricultural regions of the country are not only not considering the possibility, they voice strong objections to the idea. A variety of reasons for their views are put forth by the majority of the nation's clearinghouse associations which oppose or see no likelihood of Saturday closing.

From the survey letters emerges a picture of the fac-

tors involved, and the attitudes of bankers towards any trend to Saturday closing—a trend which some bankers deny, some recognize but dislike, and some welcome. Excerpts from the letters provide a cross section of views on the subject.

The Busiest Day in the Week

Where Saturday is the busiest day in the week, as it is in many cities, banks feel that the public would oppose the idea of closing. In agricultural sections Saturday is the traditional day for the farm population to come into town for shopping, banking, and amusement.

"The banks here do not contemplate Saturday closing," reported W. S. Cothran, secretary of the Rome (Georgia) Clearing House Association. "We are in an agricultural as well as industrial section. Farmers usually come in on Saturdays to buy and to sell, and if the banks attempted to close on that day I think we would be run out of the community."

When the question was discussed by the Montgomery (Alabama) Clearing House Association, Secretary W. T. Griffin states that: "It was decided the member banks of our association would not attempt Saturday closing at the present time, due to the fact that Montgomery is located in the heart of an agricultural section. Saturday closing would work a hardship on quite a number of the bank's customers."

Here is the view of a southern banker, Secretary James Bustard of the Danville (Virginia) Clearing House Association, who would favor the idea, yet finds it untenable under present conditions: "I have been very much interested in the trend in various parts of the country towards Saturday closing, but as far as I can ascertain, there is no particular desire in our section at the moment to do likewise. As you probably know, Saturday is quite a 'big' day throughout the South, and our merchants and other businesses handle a good part of the week's

"Farmers usually come in Saturdays to buy and sell." . . . "Saturday is one of the most active days of the week." Below, left, a horse-and-buggy-days view of Houlton, Maine. Right, a contemporary view of Danbury, Connecticut



BULWER



CUSHING

business on that day. We have always regarded Danville as a 'Saturday town.'

"I am inclined to think that the trend towards Saturday closing will have to gain considerably more momentum before the banks in our section could observe Saturday as a holiday. I am quite sure that most of the members of our profession would be glad to have a holiday on Saturday if the merchants and general public could be sold on the idea."

Holiday Other than Saturday

Several replies indicated that if the banks are to adopt a five day week, business considerations would make it necessary to close some other day than Saturday.

"We live in an agricultural community in a college town where there is much business transacted on Saturday. We seriously doubt if we should be interested in a five day week. If this comes to pass, the one day of closing will probably be one day other than Saturday," wrote M. F. Thurston, secretary, Columbia (Missouri) Clearing House Association.

A variation of this idea came from banks that observe two half holidays a week, such as Wednesday and Saturday afternoons.

"The banks of this city (Tuscaloosa, Alabama) have been closing at 12 o'clock on Saturday for a number of years and we also close, together with all of the mercantile establishments of Tuscaloosa, at 12 o'clock on Wednesday. So long as we have these half holidays we imagine the question of closing all day Saturday would not be considered," said John P. Baker, secretary of the Tuscaloosa County Clearing House Association.

Effects of the Five-Day Week

The spread of the five-day week seems to be a reason both for and against Saturday closing.

"The banks of Wichita are not in a position to give any favorable consideration to Saturday closing," wrote W. N. Male, secretary of the Wichita (Kansas) Clearing House Association. "We are in an agricultural section and our country correspondent banks do their greatest volume of business on Saturday. Since the beginning of the war we have experienced a very rapid industrial growth. A number of these concerns are operating on a five-day week. Some other businesses have inaugurated the five day plan. As a result of this, we find that Saturday is one of the most active days of the week. The lobbies of the banks are jammed to capacity, and in the face of such a situation, to close the banks on Saturday would result in inconvenience to a very large number of our local customers and country banks. I am sure that it would bring down upon our heads a deluge of objection and ill-will."

From T. Allen Glenn, Jr., president of The Peoples National Bank of Norristown, Pennsylvania, comes a similar view: "Personally, I do not believe that banks, as public service institutions, should be closed on Saturday mornings. This is the only time that a great many of the industrial workers find the opportunity to do what banking they have to do. The first thing we know, if banks start shortening their hours that they are open to the public, we will find other competition which is willing

The Legal Angle

Paul G. Reilly, attorney, who is now drafting legislation for New York State bankers interested in Saturday closing, has this to say on the subject:

The legal aspects, entirely apart from operational or public relations questions, of closing banks on Saturdays for the entire day do not present many difficult problems. Several states, such as New York, California and New Jersey, have for several years had statutory enactments which either permit or require closing on Saturday for the full day during the entire year or during the Summer.

In New York and California, the present statutes are permissive in nature. New Jersey makes Saturday during the summer months a full holiday, thus by force of the local custom requiring the banks to close during that period.

The difficulty in getting the almost universal closing of banks by legislation declaring Saturday as a whole holiday is that such legislation would interfere with many other interests. In most states either statutes or custom require the closing of all public offices on any day which is declared by law to be a holiday. The large number of labor contracts or usages which provide for premium wage payments on holidays would probably arouse considerable opposition. It may also be noted that at present few, if any, states prohibit a bank from doing business on a holiday, if it so desires, and the custom of making such a prohibition for the purpose of permitting banks not to open on Saturday morning through the device of calling Saturday a "bank holiday" is questionable.

The matters of more immediate concern are those which might impose some legal liability upon the bank if it were not open upon a day which might be denominated a "regular business day."

The negotiable instruments law expressly provides that time instruments are not to be presented upon Saturday. Demand instruments may at the option of the holder be presented in the morning only. Bills of exchange similarly may be presented for acceptance before noon if the entire day is not a holiday. If presentation is attempted on a Saturday morning and the bank is not open, there is no liability to the holder of the instrument. The maker of the instrument can only assert liability if he had reason to believe the bank would be open for business and relied thereon. If he has had reasonable notice, either by way of by-laws, terms of deposit contract, local custom or statutory regulation, that the bank is not to be open on Saturdays, it would seem that he has no legal complaint.

Since banks customarily regulate their own "business hours" in a manner somewhat at variance from other business concerns in the community, it would appear that they can determine that Saturday forenoon shall not be one of their "regular business days." This last presupposes that there are no mandatory requirements in respect to Saturday business in bank charters, nor does it account for any outstanding contracts a bank may have by which it is required to perform services or do specified acts upon Saturdays.

Some states have statutes which define Saturday as a "business day." Where that occurs it may be advisable, as in California, to expressly negative any obligation of the bank to be open on Saturday.

It would also be desirable for the purpose of avoiding any questions to amend the negotiable instruments law by eliminating the optional presentation of demand instruments and bills on Saturday forenoon.

to serve the public during the hours that the public finds it convenient in which to do banking."

Those who see the five-day week as a reason for closing believe that banks, too, are entitled to the five-day week.

G. C. Williams, president of the Evanston (Illinois) Clearing House Association, said: "There has been small interest observed here in Saturday closings. It would take a lot of interest to cause the legislature to pass a permissive law. Personally, I have strongly favored Saturday closings. It goes hand in hand with the 40-hour week."

"With the return of normal business conditions and the eventual shorter work week in all industry, I am of the personal opinion that banks should prepare for Saturday closing and believe the institutions in general would welcome this trend."—Paul I. Mogel, manager, Pottstown (Pennsylvania) Clearing House Association.

Eventual Saturday Closing Foreseen

The opinion that Saturday closing for banks will eventually become general is held by many banks which do not see any immediate prospect for it.

From Duluth, Minnesota, E. W. Collins, vice-president of the First and American National Bank of Duluth, reported this view. "We have talked with the banks comprising our clearinghouse association and I would say that the gist of the opinion is that the bankers here feel that Saturday closing is something that will eventually come and that when and if it does come they will not be actively opposed to it. All are somewhat reluctant to initiate the change, but feel that if it were decided upon by the Comptroller or the Treasury Department, they would cooperate fully."

W. P. Pittman, secretary of the Corpus Christi (Texas) Clearing House Association, said: "We have discussed this matter within our own bank, but have not sounded out the other banks in this city as to their reaction. It is our personal opinion that sometime in the future Saturday closing will come into effect. This will transpire due to the fact that such a movement will probably start in the Reserve cities, thus making it necessary for the country banks to follow suit. We think that it will be some time before this comes to pass."

Many banks that do not care to take the initiative in Saturday closing will go along when the practice becomes

Saturday night is traditionally a time for shoppers



CUSHING

widespread locally or nationally. Here are some views:

"If the majority of the banks in the country vote to close on Saturdays throughout the year, no doubt our local banks would follow in line."—George J. Barthold, secretary, Steubenville (Ohio) Clearing House Association.

"At the moment, with the city of Bethlehem primarily dependent upon the steel industry, it would seem almost out of the question to close banks on a Saturday morning; however, if Saturday closings become a common practice throughout the country, I am sure that the Bethlehem clearinghouse banks would in all probability go along."—William H. Fowler, treasurer, Bethlehem (Pennsylvania) Clearing House Association.

"The question of Saturday closings was discussed at a meeting of the Bridgeport (Connecticut) Clearing House Association held October 17, 1945. The opinion was that it will eventually come, although it will be a decided disservice to the public as Saturday is a very busy banking and business day in Bridgeport."—R. T. Staples, secretary.

Education of People Needed

That the public must be educated to the idea of Saturday closing before it can be adopted is generally recognized.

"The members of the Greater Miami (Florida) Clearing Association have discussed casually the question of Saturday closing," wrote Grace L. Whiting, secretary. "At that time it was the general consensus that it would be some time before we could educate the people of Miami to Saturday closing."

Bruce Townsend, secretary-treasurer of the Clinton (Iowa) Clearing House Association, reported that, "In a rural community, such as ours, Saturday is still the big day and it would seem that a great deal of pioneering will have to be done in Saturday closing in other communities before our people would be prepared to tolerate Saturday closing."

Public Relations May Suffer

An adverse effect on public relations and a spur to bank competition from both government and other lending institutions is foreseen by some banks as the effect of Saturday closing. Strong opposition to it stems from these reasons.

"We are not at all in favor of Saturday closing here at the present time as Saturdays and Mondays are the two busiest days," said B. A. Gronstal, secretary, Council Bluffs (Iowa) Clearing House Association. "We believe that some facilities should be open every week day at least for part of the day by banks for the public. The post office is open, the small loan offices are open, and those two are our largest competition with the general run of people. If we were to stay open only five days a week I think it would be a mistake as far as good public relations are concerned."

Columbus, Ohio, banks are of the same opinion. They have given no consideration to the question and do not believe the Saturday holiday is practical. Said Albert E. Binder, clearinghouse secretary: "During the past several years, there has been a tendency throughout the

(CONTINUED ON PAGE 120)

THE INVESTMENT MARKET

H. EUGENE DICKHUTH

MR. DICKHUTH, on the financial staff of the New York Herald Tribune and a frequent contributor to BANKING, reports on the government securities market and new corporate financing.

THE government securities market has been on the firm side because of long range considerations and it will probably continue to display a strong under-tone until the present psychology undergoes a marked change.

The bullishness of the experts is based on the possibility of lower interest rates, lower yields and a sagging money curve, generally. The theory was supported in part by the recent British move reducing the interest rate on Treasury deposit receipts.

The possibility of a further decline in the rate structure naturally makes banks and other institutional investors reach for the highest coupon securities in order to maintain income. Apprehensions of cheaper money affect, of course, eventually, the entire financial community and if the process goes far enough, lower rates will have to be passed on to the public in higher insurance premiums and still lower interest on savings.

As desirable as cheap money may be from the standpoint of the Treasury for carrying the huge wartime debt, the possible effect on the public, apparently, is not overlooked in the Congress. While the political pressure for cutting income on bank-held securities is considerably greater, an important element of congressional opinion seems to hold that anything which might shake the public's confidence in the commercial banking system should be approached with the greatest caution.

Rumors in circles usually well-informed are that perhaps early next year maturing issues of $\frac{1}{8}$ per cent Treasury Certificates will be replaced by a flotation of $\frac{3}{4}$ per cent certificates. There is also considerable doubt in these quarters whether any more $2\frac{1}{2}$ per cent and $2\frac{1}{4}$ per cent bonds will be issued now that the public offering method has been concluded with the Victory Loan drive.

Investment officers and traders also persist in the speculation that near maturities of bonds may be refinanced by the Treasury through certificate issues, even though this would lead to an augmentation of the short term indebtedness. All of these thoughts lead to an unwillingness to sell higher coupon bonds, also in view of the substantial premiums above par some of these issues have attained marketwise, and it also results in an eagerness to purchase in order to maintain portfolio yields in a rising market.

The last month prior to the Victory Loan drive, October, saw new corporate financing at an unusually high mark, the third largest monthly aggregate since 1919. In fact, the October volume of about \$1,100,000,000 was

An interesting recent report is that some of the large life insurance concerns are said to have indicated their willingness to purchase $2\frac{1}{4}$ per cent Treasury bonds with a maturity of a century, but that they have received non-committal replies because of pending policy decisions at top levels.

exceeded only by May and September 1929, when the respective figures were \$1,300,000,000 and \$1,500,000,000, according to the Federal Reserve Bank of New York.

Bonds were the major type of issue floated and nearly 80 per cent of all new issues, equal to about \$910,000,000 represented refunding operations. Securities issued to obtain new money for purposes of expanding working capital, equipment or plant facilities were about \$150,000,000, about twice the September volume, but below the totals for May and July. July was the most recent overall peak with a total volume of corporate financing of about \$1,000,000,000.

Indications are that 1946 flotations will increase substantially over this year's figures provided major disturbances affecting production and long range planning do not develop.

Unlike July and August, when slowness marked the distribution of some issues, the investor response was favorable in most instances in October and offerings were taken up speedily. Public utility issues came close to 60 per cent of the value of all securities.

Included in the month's flotations also was the first dollar stock issue of a foreign company in some years, 197,500 shares of Industria Electrica de Mexico, worth about \$5,000,000. It is an internationally financed concern which makes electrical goods under Westinghouse patents. Another interesting Mexican-U. S. transaction was the appointment of Glore, Forgan & Co., New York and Chicago investment bankers, as American representative of Nacional Financiera S.A., an institution controlled by the Mexican Government and engaged as fiscal agent, as supervisor of the securities markets and in the promotion of the industrialization of the country.

Investors' reception of new common stock issues was supported by strong stock markets. New York's "big board" turned over 35,476,347 shares in the same month which was the largest October trading since 1938.

Illustrative of stock market psychology are prices for New York Stock and Curb Exchange memberships. In 1942 seats on the Stock Exchange ranged between \$17,000 and \$30,000. On November 9 a membership was sold at \$89,000. A curb seat sold for \$650 in October 1942 and for \$30,000 in October 1945.

The Trend in Bank Buildings

This is the first of a series based on BANKING'S survey of trends and developments in functional bank layout and design. It is addressed, in a spirit of helpfulness, to the 25 per cent of the nation's banks planning to modernize or build new quarters in the immediate future. This article discusses the use of structural glass in bank architecture.

THE Bank of Tomorrow will shed its fortress-like austerity, its archaic bars and cages, its cold impersonality for new materials and designs that connote warmth and friendliness. There will be a definite trend to the classic modern in over-all architectural treatment, with a tendency to soften the severity of interiors with color, paneling and other informal materials. While preserving the distinctive character of its business, the modern bank will rival in beauty of appearance and functional layout the other modern establishments now going up along, or planned for, America's Main Streets.

One versatile product, of particular significance in the modern bank, is glass. It will be used extensively for both structural and decorative purposes. Perhaps more than any other single building material, it will help dispel the aura of secrecy so long associated with banking, for it will literally take the customer "behind the scenes."

The interior of the Paterson Savings Institution, Paterson, New Jersey, is a good demonstration of the unusual uses of structural glass. This interior is devoid of traditional metal work in and around the tellers booths. In place of the cages, small, rounded plates of tempered glass mark off the various sections of the counters. The identity of the service has been etched on these plates.

By employing semi-partitions of quarter-inch polished plate glass for departmental separation, the interior preserves on over-all visual aspect of spaciousness. The island counters were designed with glass supports and include both rounded and rectangular types. The tops

of these counters are of three-quarter-inch plate, with deposit slips, checks, and other forms in pigeonholes under the glass. The executive offices on the balcony have been partitioned with reeded architectural glass, adding a distinctive note. Plate glass is also used in metal railings to partition off officers' quarters on the main banking floor. These adaptations of new glass products have brought a note of modern design to an interior whose general architectural motif adheres closely to traditional lines.

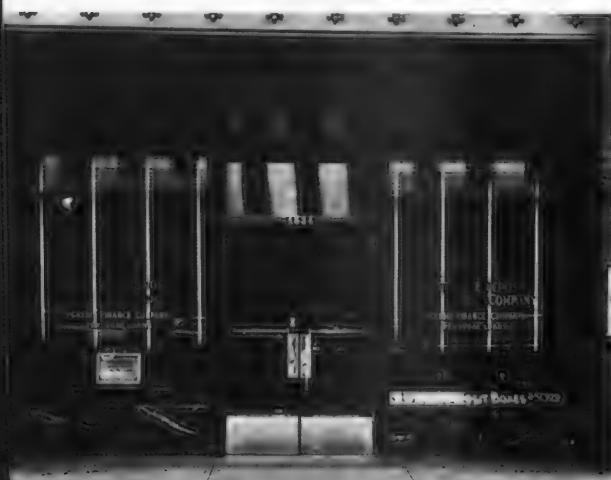
The before-and-after modernization views of the Bank of Kenmore, New York, also illustrate the judicious use of glass, notably in the full-vision partitions near the vault. Originally hidden behind high, old-type cages, the vault is now a center of interest, with an attractive decorative motif. The glass partition in front of the vault has an entrance from the main lobby, leading around to the tellers' booths. Here, too, the new-type low counters, with marble facing, have glass enclosures. Wall counters with plate tops also keep banking forms neatly stacked in compartments underneath. This office was completely done over from rubber tile floor to acoustical ceiling at a nominal cost.

The treatment of these two banks illustrates the manner in which glass can serve to enhance the beauty and utility of banking structures for both old and modern architectural conceptions. By substituting glass for solid partitions, space is used more economically for the average bank's growing services. Use of special bullet-resistant and other types of glass makes it possible to eliminate much of the metal grillwork and cages which visually jam up interiors. Structural mirrors may be used to enlarge optically certain areas of the bank as well as to create a feeling of spaciousness. Other types of structural glass used as wall decoration lend added beauty, and tend to mirror the friendly atmosphere.

As a necessary corollary of the new services which make the modern bank a department store of credit, most banks adopt merchandising principles similar to

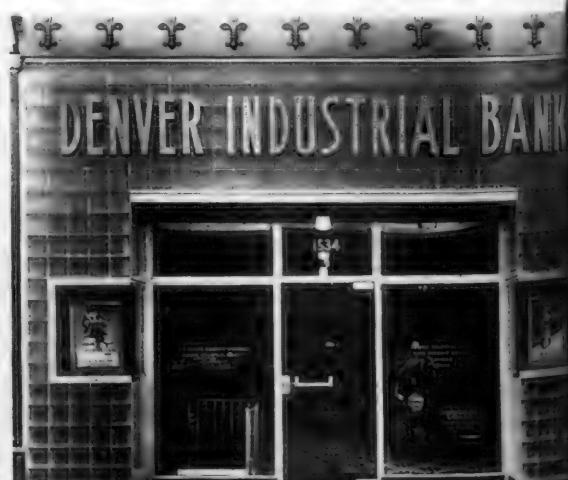
Before

Exterior view of the Denver (Colorado) Safe Deposit Company before it received a modern face-lift. This conservative treatment is uninviting, yet typical of many institutions



After

Here's the modern face-lift with a judicious use of glass transforming a mediocre exterior into an attractive, inviting front. Note full vision doors and inset display windows





Before

Typical country bank interior of the State Bank of Kenmore, New York, with high enclosed cages, U-shaped arrangement, centered customer's counter, old-fashioned lighting, and fan

house used by the druggist, the department store operator, the grocer, or the baker. These principles are obviously closely integrated with the physical structure in which the merchandising is carried on. Practically every merchant, ranging from a theater operator to an appliance store dealer, will agree that one of the most vital selling assets is a store front that is distinctive and appealing.

Just as the modern open-front store has made provision for specialized display areas, so must the bank provide a similar service for its own wares. In many institutions cooperative display programs are undertaken with builders, utilities, and other groups. The displays, usually consisting of model homes, appliances, and other products, tie-in with some specific banking service. In the open-front bank such displays can be mounted on tables or otherwise arranged near the large front windows. Or, if this is not desirable, they can be placed at other locations in the interior, where the open-front permits the passer-by to view them.

Many banks have already established the custom of permitting use of their windows by local manufacturers and community groups—a practice which has paid dividends in advertising and goodwill. One large bank in

The Harlingen (Texas) State Bank used a solid front of glass brick, with plate glass door, to help solve lighting problem of narrow building 25 x 130'. A complete job from scratch, including two vault doors and air conditioning cost \$41,000



After

Results of a \$17,100 modernization job. Rearranged and redecorated, new bronze grills, marble facing, acoustical ceilings, rubber tile floors and extensive use of glass. Note vault

Pittsburgh with modified open-front type windows has been devoting three of its large window areas for this purpose. The displays come to slightly above the eye-level height, and thus permit the spectator to look into the bank and see a little of what is going on.

While a bank, from the very nature of its business, cannot very well adopt the ultimate developments of the open-front, it can most advantageously use various modifications of this style. Solid, implacable-looking granite walls, heavy bars, and other cloistered effects are customer deterrents, and should be eliminated, or at least subdued. The clever architect can strike a happy medium between the traditional and modern, the austere and the inviting.

The face-lift job of the Denver (Colorado) Safe Deposit Company, now the Denver Industrial Bank, illustrates the open-front principle to a marked degree. The entire facade is glass, with a minimum of metal and stone trim. The original job, modern in its day, is somber and cold in comparison, although both use almost an equal amount of glass. Compromised by a narrow opening, the bank takes full advantage of the merchandising possibilities of its street level windows for display pur-

(CONTINUED ON PAGE 110)

Clear polished plate glass is used by the Paterson (New Jersey) Savings Institution for various types of partitions. Note reeded architectural glass on balcony, glass counter supports, use in railings, and as partitions between tellers' cages



How to Sell New Customers

LEWIS F. GORDON

"Service selling is and always will be the most difficult form of selling because it deals primarily with the abstract and is predicated on future performance of individuals and collective organization. This is further accentuated in the case of banks, because so far as straight work-a-day bank service is concerned, any two or more banks of comparable size and organization can provide equal and comparable facilities. The 'plus' must be found to make your bank the one to be selected . . ."

MR. GORDON, vice-president of the Citizens & Southern National Bank in Georgia, has charge of that institution's public relations, advertising and new business promotion. In this article he offers some practical suggestions on selling service.

So you want my company to open an account at your bank. I don't doubt it. Many banks want our account. What good reasons have you—not from your standpoint, but from ours? Can you put them in writing? If so, do it and we'll be glad to consider your proposition."

What could you do if a corporation treasurer whose company account you were soliciting threw it into your teeth that way? Could you put your story into writing—not in glittering generalities but in a logical, factual presentation predicated entirely on values for the corporation? Those were hypothetical questions self-conjured some years ago, and the result was an endeavor to find the answers.

Frankly, the principle was a throwback to pre-banking days and recollection of much successful service selling through "briefs"—written presentations translating service and markets in terms of specific interests of the prospective buyer. Could the same principle be employed in the selling of bank service? That was the question.

Service selling is and always will be the most difficult form of selling because it deals primarily with the abstract and is predicated on future performance of individuals and collective organization. This is further accentuated in the case of banks, because as far as straight work-a-day bank service is concerned, any two or more banks of comparable size and organization can provide equal and comparable facilities. The "plus" must be found to make your bank the one to be selected—or, in the case of split accounts, to be used also. And the "plus" or "pluses" must be so clearly defined, logical, and beneficial that they will stand the acid test—for the prospective customer to read and be sold.

Why put it in writing? There are several good reasons. Any experienced salesman knows that only a part of his story registers on the prospect in a single call, on the average. One-call sales are the exception, rather than the rule. There is plenty of supporting argument to prove this thesis, so accept it as true. The salesman who can leave his sales story, in black and white, to refresh

the prospect's mind and memory of the verbal discussion is doubly strengthened in his selling effort.

Secondly, putting it in writing is the acid test as to whether you have a sound, sensible, logical story of interest and benefit to the prospective customer. Many a salesman would be amazed if he read his own verbal presentation, reduced to writing.

Thirdly, more than one man may be involved, and frequently is, in the decision with respect to a major banking connection. Sometimes it even embraces a board of directors. If your interview with a single individual has impressed him, how much strength do you gain when he takes your written presentation to related associates and says, "Had an interesting interview with a vice-president of the White Bank of Red City. I think we ought to do business with them. Read this presentation which he left with me and see what you think?" That isn't an imaginative concept. In one case, one of our officers presenting such a brief (which the treasurer of a large corporation insisted on reading at once) was told: "This will be read to our board next week as the reason why I want their authorization to open an account at your bank"—and it was a six-figure balance account when it opened.

BUT now, to the brief itself. It must be custom-made, tailored to fit your bank to the needs of the prospective customer. There is certain fundamental information which will be incorporated in all briefs, but the meat will be the specific translation of facts which match the customer's interests. Can you adduce such facts? If not, then you have nothing to sell except hope for a lucky break that will get you an account. Contrariwise, if you have logical facts, you still may not sell an account immediately, but you have qualified your prospect as one who should be doing business with you, for his own best interests, and you can afford to keep on trying until your facts do register and the relation is established.

First comes a delineation of your bank, again not boastfully but factually. This may be essential to the case you are presenting. Our operations, for example, ramify over 21 offices in 13 cities of Georgia and South Carolina. On occasion, this geographic distribution is significant to the company addressed. In principle the same may be true of distributed offices in a single city. Relation to wholesale or retail districts may be significant.

THE CITIZENS & SOUTHERN NATIONAL BANK

Why and How It Could Serve

THE

INSURANCE

In suggesting to any commercial organization that it establish a relation with our bank, we predicate our case entirely upon our ability to show that such a banking connection will have definite material advantages for the company in question. We ask, therefore, that the executives of the _____ INSURANCE _____ regard the facts presented entirely in terms of their usefulness to the companies. It has long been a policy of THE CITIZENS & SOUTHERN NATIONAL BANK that we can progress only through the medium of successful customers. Our approach, therefore, is always predicated on the question - "How can the bank make the customer more successful?"

How then can a relation with THE CITIZENS & SOUTHERN NATIONAL BANK be of definite value to the various divisions of THE _____ :

To arrive at the best answer to this question, it is necessary to develop a picture of THE CITIZENS & SOUTHERN SYSTEM and its relation to the people of Georgia and South Carolina.

cant in terms of service convenience, night depository, repeated daily deposits, and so on. In any event your bank, its position, relation, must be outlined for better understanding of a man or men who may never have been in your city. This outline is supplemented by a current statement of condition for the same purposes.

NEXT, your board of directors, or men thereon, may be significant, so they are presented. Here again you may make certain translations in terms of the business interests of the company or corporation addressed. It is a question of personal tailoring to fit each case.

Against this background comes the real meat of your presentation—predicated primarily on what you know to be the trade or business activities of your prospective customer in your territory—and the manner in which your bank touches or affects them and ties in with them. To illustrate: More than 10 years ago our bank began a program to motivate the development of more beef cattle in Georgia. Working with the Beef Extension Division of the University College of Agriculture, we developed a program through the county agents as a result of which we have made thousands of loans to boys and girls in the 4-H Clubs and the Future Farmers of America. Loans were made to farmers for feeding and breeding of cattle. Market outlets and auctions were organized. One of our officers organized and headed a livestock association embracing 24 counties. Without going into more detail, here is a story of activity and development which certainly ties our bank to the interests of the large meat packers operating in our territory.

Again, it may be a manufacturer whom you are approaching and your case may be predicated on dealer-

A sample introduction to a presentation, after which "comes the real meat" of the introduction, "predicated primarily on what you know to be the trade or business activities of your prospective customer in your territory . . ."

distributor relations. Or it may be a life insurance company, and your bank may have been unusually aggressive in promoting the general idea that people need and should buy more life insurance. Or it may be a manufacturer of agricultural machinery and your bank may have been particularly active in this field. Perhaps it is certain trade or sales relations which you have that affect the interests of the prospective customer. It may be that your bank, on the ground with years of intimate operating experience, knows the story of your city and territory far better than the prospect and you may be in a position to give him data or information as to how he can, or why he is not developing business in the territory. Again, let us repeat, the story is tailored to the individual case.

Following these data comes your interpretation as to how your bank, working with the company as a customer, could help—what the lawyers would describe as the "closing argument." The brief is individually signed by the officer presenting it.

Obviously such a presentation involves certain positive factors.

(1) A definite knowledge and studied consideration of the nature of the customer's business—principles of selling, methods of distribution, dealer and consumer relations, and like information.

(2) A parallel knowledge of your own city and trade territory and conditions therein which bear on the customer's interests and activities.

(3) An ability to show how your bank enters into, relates to, or affects these identified interests and activities, not in glittering generalities but in actual fact.

If, at the end, you have a logical factual story to present, then you are able to offer the prospective customer a "plus" which extends far beyond the routine service of handling deposits and clearing items. Moreover, you are displaying an understanding of his business, you are talking to him in his language about things that affect him and his interests—and what business man doesn't want to do business with that kind of a bank?

For those who may be stimulated to try putting the story in writing, perhaps a brief physical description may be helpful.

Smartly typed, on a distinctive paper if possible, it should be spaced out in such a fashion as to look, and be, readable. Chapter or paragraph headings, typed in caps, break the story and prevent it from looking like many typed pages of running narrative. Statement of condition, list of directors with their business connections (names by themselves mean nothing) should be mounted on pages in the brief. The whole is assembled into a smart cover on the front of which appears a small sticker: "Why and How the _____ Bank Could Serve the _____ Company." And again, the brief is signed by the officer presenting it.

Home Equipment Credit Plans

LOUIS J. ASTERITA

MR. ASTERITA is secretary of the Consumer Credit Committee, American Bankers Association.

THAT the commercial banks will be prepared to offer satisfactory financing to approved appliance dealers is clearly demonstrated by the results of a recent survey conducted by the Consumer Credit Committee of the American Bankers Association. This survey shows that more than 6,500 banks are prepared, or are formulating plans, to finance appliance dealers when merchandise and instalment paper is again available.

In order to implement this program, the American Bankers Association conducted a comprehensive study of home appliance financing, with the result that a manual of operations was issued in an endeavor to acquaint banks with the techniques and methods of operation in connection with this type of financing. To date, almost 50 per cent of the banks of the country have requested copies of the manual, and approximately 2,000 copies have been sent to others interested in consumer durable goods and services. This is an indication of the tremendous interest in this field.

The Committee on Consumer Credit of the American Bankers Association, in keeping abreast of the rapid growth and development of instalment sales finance business, is constantly on the alert to assist and implement the lending program of the banks. A project is now under way which will aid considerably in the development of instalment paper business in banks. The first part of the project will be to determine as accurately as possible which banks are doing an instalment loan business; the second part will be the organization of a nationwide collection system for these banks.

Collection System

Recently a questionnaire was sent to member banks requesting them to inform the American Bankers Association whether they would be interested in participating with other banks in a collection arrangement on a reciprocal basis. This information, after tabulation, will be published in a directory, with symbols used to indicate the extent to which each bank is engaged in the various phases of consumer lending and to what extent they will cooperate in this nationwide collection system. This will give the banking system a collection service for handling "skip" and other specially treated paper that is far superior to anything yet developed in the credit field.

The interest in this idea already shown by banks indicates that the final arrangement may include over 3,000 participating banks. This directory, when ready, will be available to all banks, manufacturers, distributors and dealers, and others interested in consumer durable goods and services. A program of this kind will

be extremely helpful in extending to manufacturers and their dealers a nationwide banking function for the distribution and collection of their instalment paper.

Obviously, before the program of the banks can become effective, much will depend on the factor of reconversion and on the production of consumer durable goods in sufficient quantity to place the program at the disposal of the dealers. The pent-up demand that has been frequently estimated discloses some interesting figures on this potential durable goods market. Conservatively, it is estimated that approximately \$2 billion will be spent toward the purchase of major household appliances and home furnishings.

How these purchases will be made—with cash or by monthly instalments out of current income—is a question open to conjecture. It is reasonable to assume, however, that a fairly large portion of these purchases will be made on the instalment basis. The American public is instalment-minded, and many authorities believe that a program urging the continuation of savings and the retention of War Bonds as nest-egg savings will be a hedge against inflation. If, during the postwar period, purchases of consumer durable goods are made substantially from income, one of the inflationary factors will have been averted.

Relations With Dealers

When a commercial bank decides on the basis on which to do this business, it will select a dealer by conducting an investigation and making an analysis of his credit responsibilities and also by evaluating certain factors, some of which are as follows:

(1) The dealer must be a good moral risk. The investigation should cover his entire history and background in order to establish, within reason, evidence that the risk is unquestionable. This is extremely important because of the large amount of credit extended to and through the dealer in relation to his net worth. Any financial institution that handles wholesale paper or retail paper (or both) for a dealer who is a poor moral risk or tricky in his business dealings is assuming a hazardous risk that may eventually result in a substantial loss.

(2) There must be reasonable evidence that the dealer has the ability to manage his business on a sound basis.

(3) He must have sufficient capital, exclusive of the financing of the floor plan and retail sales, so that his business can operate safely and profitably.

Of fundamental importance to banks, when setting up their dealers on a time sales plan and when handling their appliance paper, is the manner in which selling is done. Whether he employs canvassers, how he displays his inventory, and whether he uses price appeals are factors which will be considered in dealer relations.

Retail paper should be purchased on its merits and not on the basis of the dealer's endorsement. This policy is being largely followed even when a dealer is doing business on a full recourse basis. When selling an individual contract to a financial institution, with credit investigated before approval, the dealer has the right to feel that the financial institution will protect his interests by approving credits on such a basis that the experience on the paper will be satisfactory. Occasionally, sales managers may urge the bank to approve bad credits, pointing out that the paper is endorsed. It has been found through experience that to purchase paper on bad credits under such circumstances obviously would be unfair to the dealer. Furthermore, experience indicates that, while a dealer may urge the purchase of paper on bad credits, often when he is called upon to honor his endorsement he will criticize the bank and possibly seek another financing connection.

Instalment paper on appliances is as good as the dealer who creates it. A dealer with a satisfactory financial background may operate on a high-pressure sales basis, and the experience and the paper he creates may not be satisfactory even though reasonable care is used in passing upon the credits. On the other hand, if the dealer sells on a sound basis and the consumer is completely satisfied with the transaction, it is often possible to approve credits of a lower grade and still have a satisfactory experience on the paper.

While it is true that a dealer has the right to sell his paper at the best price he can get (and he has a theoretical right to make his finance charges what he wishes if

they are acceptable to the purchaser), paper should not be bought if misrepresentation or excessive charges enter into the contract, since the bank is going to collect his payments. Arrangements should be made between the bank and the dealer, and a definite understanding of the bank plan is important. The bank will tell the dealer what the basis may be for his price, since the bank proposes to buy the paper arising from the sale and the quality of the paper will be affected by the justice of the price. A dissatisfied customer means collection problems, with the bank's prestige becoming involved if paper is accepted where charges are abnormally high.

It has been generally agreed that in order to obtain satisfactory volume and profit from retail time sales appliance financing, it is necessary for a bank to meet the dealer's reasonable requirements for handling his merchandise purchases. This, of necessity, becomes a part of a bank's instalment sales program. Experience has also been that, in dealing with dealers of established responsibility, this business can be conducted on a safe and sound basis.

During the past few years, while merchandise has not been available for purchase, banks have streamlined their operations and formulated sound plans in order to give the dealer prompt and efficient service. It has been found that by having dealers and banks cooperate in a community program, credits have been approved within a matter of hours. This often permits the dealer to consummate the sale and to make delivery of the merchandise within 24 hours.

(CONTINUED ON PAGE 92)

Sifting Foreign Loans

HERBERT BRATTER

MR. BRATTER, a Washington financial writer, reports on the personalities participating and the government agencies affected in the negotiation of foreign loans.

WHEN Mr. Morgenthau became Secretary of the Treasury he had a room fixed up where he could take lunch privately with important callers. The glass-covered oval mahogany table which was used on such collations is still to be seen in the Treasury building. Affixed to its surface are 16 engraved metal markers, arranged in an oval around a central place on which is this inscription:

1923-1930

On this table the debt funding agreements with foreign governments were executed.

Aggregate principal amount \$11,577,260,885.

These few words record the opening of the penultimate chapter in the history of United States Government loans to foreign countries during and following World War I. It is the succeeding chapter of that history which Herbert Hoover has in mind when he reminds us that Italy, for example, repaid less than 4 per cent of our reconstruction loans, and when he predicts that "when our Government postwar loans exceed a few tens of billions they are going to be only partly repaid at best."

The Congress, however, has already embarked piecemeal upon an ambitious program of financial and economic aid to the rest of the world. Its ultimate dimensions cannot be foreseen, but the preliminary segments of the program are already quite large, including nearly \$3 billion for the Bretton Woods Fund, more than \$3 billion for the International Bank for Reconstruction and Development, and, at least \$3½ billion for the Export-Import Bank and doubtless more later. Moreover, a whole new vista of tangible international co-operation is opened by the British-American discussion of a generous line of credit for the United Kingdom to be approved separately by Congress.

To formulate and coordinate Administration decisions on international monetary and financial problems the Congress in two laws passed in July designated a powerful council of five. The Bretton Woods Agreements Act establishes the National Advisory Council on International Monetary and Financial Problems, hereinafter referred to as the NAC. The Export-Import Bank Act of 1945 provides for an advisory board. In each case the membership is the same, consisting of the secretaries of Treasury, State and Commerce, the chairman of the Federal Reserve Board, and the chairman of the Export-Import Bank. Congress specified that the Secretary of the Treasury should be the chairman of the NAC, while as chairman of the Advisory Board it designated the chairman of the Export-Import Bank.



HARRIS & EWING
Secretary Vinson at his Treasury Department desk

Since the NAC is given broader powers than the Advisory Board, including the power to coordinate all foreign financial and monetary activities of the Government, the subsequent creation of the separate Advisory Board for the Export-Import Bank, identical in composition and differing only in its chairman, seems to have been pointless. At the time the two laws mentioned were passed the Secretary of the Treasury was Henry Morgenthau, Jr., and the chairman of the Export-Import Bank was Leo Crowley. Some members of Congress wanted to write into the law their preference for Mr. Crowley. Yet they did this only after legislative creation of the NAC. The early resignation of both Mr. Morgenthau and Mr. Crowley indicates the futility of basing long-term legislation on ephemeral personalities.

SINCE it is not possible to imagine a policy decision of the Export-Import Bank that does not require coordination with other financial policies of the Government, it is not possible to imagine a meeting of the above-listed big five in which the gavel does not remain in the hands of the Secretary of the Treasury. On the theory that sometimes a clash of personalities between a future Secretary of the Treasury and a future chairman of the Export-Import Bank might arise, some participants in the work of the NAC feel that such possibility should be eliminated. This could be done directly by making the two chairmen identical or indirectly by making the Secretary of the Treasury chairman of the Export-Import Bank.

The Advisory Board is empowered to make such recommendations to the board of directors of the Export-Import Bank as the former deems advisable. Also the board of directors is required to consult the Advisory Board "on major questions of policy." The NAC on the other hand "coordinate by consultation or otherwise so far

as is practicable, the policies and operations of the representatives of the United States on the Fund and the Bank, the Export-Import Bank of Washington and all other agencies of the Government to the extent that they make or participate in the making of foreign loans or engage in foreign financial, exchange or monetary transactions." The NAC's powers are thus very broad.



HARRIS & EWING

W. Chatfield-Taylor at a Congressional Committee hearing

The NAC has additional powers and duties under the Bretton Woods Agreements Act. Thus:

The Council, after consultation with the representatives of the United States on the Fund and the Bank, shall recommend to the President general policy directives for the guidance of the representatives of the United States on the Fund and the Bank.

The Council shall advise and consult with the President and the representatives of the United States on the Fund and the Bank on major problems arising in the administration of the Fund and the Bank.

Whenever, under the Articles of Agreement of the Fund or the Articles of Agreement of the Bank, the approval, consent or agreement of the United States is required before an act may be done by the respective institutions, the decision as to whether such approval, consent, or agreement, shall be given or refused shall (to the extent such decision is not prohibited by section 5 of this Act) be made by the Council, under the general direction of the President. No governor, executive director, or alternate representing the United States shall vote in favor of any waiver of condition, under article V, section 4, or in favor of any declaration of the United States dollar as a scarce currency under article VII, section 3, of the Articles of Agreement of the Fund, without prior approval of the Council.

THE law further specifies the reports which the NAC is required to make to the President and the Congress and requires the American representatives on the Bretton Woods Fund and Bank, as well as any American Government agencies engaging in foreign financial or monetary transactions to keep the NAC fully informed of their activities.

The Bretton Woods Agreements, although approved by the Congress, at this writing have yet to be formally ratified by this or any other Government. None the less, the NAC has held several meetings since August (five, through October 30, 1945) and has set up a permanent "staff committee" as well as special purpose groups. The NAC's meetings held to date have all taken place in the office of Secretary of the Treasury, Fred M. Vinson. The Secretary of State has been represented in these meetings by Assistant Secretary William L. Clay-

ton as the Department's top man on economic and financial matters. Secretary of Commerce Henry A. Wallace usually attends in person, although on occasion he is represented by Mr. Amos E. Taylor, director of the Bureau of Foreign and Domestic Commerce. Chairman Marriner S. Eccles has attended all NAC meetings to date. Since the resignation of Leo Crowley, and pending the appointment of a new chairman, the Export-Import Bank has been represented on the NAC by Wayne Chatfield-Taylor, president of that bank. As secretary of the NAC, Mr. Vinson selected Frank Coe, who also serves as chairman of NAC's staff committee. Mr. Coe, it will be recalled, became the Treasury Department's Director of Monetary Research when Harry White was made Assistant Secretary of the Treasury last year.

REPRESENTED on the staff committee are the five departments and agencies, whose heads comprise the NAC, and the SEC. The Secretary of the staff committee is Roman A. Horne, who is also a member of the Treasury's division of monetary research. The staff committee as a whole has held only a few meetings. For handling special studies *ad hoc* subcommittees are set up. In its work the staff committee draws upon the research facilities of the various government departments and agencies. Participating in its work thus far have been Harry D. White, Frank Coe and Norman Ness of the Treasury Department; John Parke Young, E. G. Collado and Dudley M. Phelps of the State Department; Frank A. Waring and Hal B. Lary of the Commerce Department; Messrs. Woodlief Thomas, Burke Knapp and Walter Gardner of the staff of the Federal Reserve Board; Wayne Chatfield-Taylor and August Maffry of the Export-Import Bank; and Walter Loucheim of the SEC.

The most important special committee formed since the creation of the NAC has been the *ad hoc* Bretton Woods Organization Committee; under the chairmanship of Harry White. It is the task of this committee to make recommendations to the NAC concerning the by-laws of the Fund and Bank and in general to lay the groundwork for the functioning of those two institutions.

So far as is known, the NAC as a body has not formally participated in the British loan discussions with the Halifax-Keynes group, although all the members of the NAC have taken part in the conversations. In the negotiations with the British, the United States financial group is usually composed of Secretaries Vinson and Wallace, Assistant Secretary Clayton, Mr. Eccles and the chairman or acting chairman of the Export-Import Bank. Another State Department representative on this group is Thomas McCabe, specialist on lend-lease and surplus-property matters.

IN addition to Bretton Woods, the NAC has been devoting attention to such other matters as Export-Import Bank loans, lend-lease, "3-c" credit arrangements, and surplus-property credit arrangements. The meetings have not specifically taken up the Johnson Act, World War I debts, or the matter of foreign defaults on dollar bonds.

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How-Do-you-Do Letters

WILLIAM H. BUTTERFIELD

MR. BUTTERFIELD, chairman of the Department of Business Communication, University of Oklahoma, is the author of "How to Write Letters Right" and "I Beg to State," which appeared, respectively, in the July and August issues of BANKING.

WHEREVER a person does business—a food market, department store, hotel, service station, shoe store, or bank—he likes to feel that his visits are welcomed and appreciated by the management.

Realizing that this reaction is natural and, therefore, widespread among their patrons, many business concerns are making effective use of letters to express their cordial welcome to both customers and prospective customers. Hotels thank the departing guest for his visit and invite him to return; clothing stores inquire about the customer's satisfaction with his recent purchase and ask him to call again when he needs other articles of apparel; department stores thank the charge customer for his patronage and invite the continued use of his account.

But banks—for the most part—overlook the numerous opportunities to make patrons feel that their visits are sincerely welcomed. For every bank that is alert in its use of goodwill letters, there are at least four others making little or no use of them.

An ideal opening for an effective letter of welcome is created when a prospective patron moves into the community. He is surprised and pleased to receive a cordial note of welcome which invites him to make use of any conveniences the bank has to offer. Other factors being anywhere near equal, the bank that extends this courtesy to a newcomer will have a decided "edge" over its competitors when he considers where to do his banking. Here is an appropriate letter of welcome to newcomers:

Dear Mr. Martin:¹

The officers of this bank are happy to welcome you to

Springfield and hope that you will find our city a pleasant place in which to live.

You will always find us interested in assisting you, whether you are ready to make a local banking connection or merely seek information as a newcomer.

Our knowledge of local conditions may be helpful and is at your disposal at any time. Also, our experience of more than 37 years in sound, constructive banking enables us to offer you complete financial service for every need.

I hope you will come in sometime soon and give me the pleasure of meeting you personally. If I am not in my office when you call, this letter will serve as an introduction to any one of our officers.

Cordially yours,

After such a letter has played its part in the opening of new bank accounts, the time is ripe for a well-written service letter to each new patron. Again he is pleasantly surprised to discover that the bank officers are taking a personal interest in serving him well. Here are two effective letters based on the service keynote:

Dear Mr. Williams:

It is a pleasure to welcome you personally to the First National Bank, and to express my thanks to you for opening an account with us.

From now on we hope you will regard the First National as your bank, and use the facilities of all departments which will make our service to you more complete. The enclosed booklet describes the functions of these several departments, all of which are equipped to serve you efficiently.

Please feel free also to call upon me, or upon any of

¹ Letters marked with this numeral are reprinted from "Letters for Mailing to Bank Customers," by Louise B. Moyer and Marjorie Schoeffel Davis, by permission of the authors and the publishers (*The Burroughs Clearing House*, Detroit, Michigan).

² Letters marked with this numeral are reprinted from *Goodwill Letters That Build Business*, by William H. Butterfield, by permission of the publishers (Prentice-Hall, Inc., New York City).

the bank officers, whenever our counsel might prove helpful to you.

We appreciate the opportunity to serve you, and we want to make your association with us both pleasant and satisfying to you.

Cordially yours,

Dear Mr. Parker:¹

I want to express my personal appreciation of the account which you have just opened with us, and to assure you that we shall give our prompt and careful attention to any business which you may entrust to us.

It is a pleasure to welcome you as one of our depositors. We shall try to make your connection with this bank one of real benefit to you.

I hope you will feel free to call upon me, or any of our officers, whenever we may be of assistance to you.

Cordially yours,

After the new patron has made use of his account for a few months, the bank can write him a letter inviting his use of additional services. Such a letter also offers a fine opportunity to build institutional prestige by telling its readers something of the bank's background and growth. An excellent example is a letter used by Clyde O. Draughon, of the Merchants National Bank of Mobile, Alabama:

Dear Mr. Baldwin:²

You opened a savings account with us about three months ago. By now, we hope, you are well acquainted around the bank and familiar with the services we provide for our patrons.

Just to give you a little of the history of the bank with which you are doing business: We were organized in 1901, employing five men. Now in 19— there are 95 persons employed, of whom 21 are women and 74 men. The incentive of these men and women is pride in performance and in doing a good job.

You know, of course, that every man and woman of the Merchants National, your bank, is at your service any time and will be glad to discuss business and financial problems with you. Don't think for a moment that you intrude upon the time of our officers or employees when you ask for information or advice. They are here for the very purpose of working with you. Ask questions, get all the facts, make use of the facilities that are here at your beck and call, and we predict a better understanding between you and your bank.

Add systematically to the savings account you opened just 90 days ago, thereby building a surplus fund that will increase the joy of living and make it possible for you to enjoy more fully the good things of life.

We hope to see you in the bank often.

Cordially yours,

Even the withdrawal of a bank account provides an opportunity for a timely goodwill letter. Perhaps the former patron is moving to another town or city, or perhaps he feels that the bank has not served him as well as it might have done. In any case, a sincere note of regret at the closing of the account will produce a favorable reaction. Here are two examples of suitable letters:

Dear Mr. Newburn:²

Since I was out of the office yesterday when you called to close your account, I did not have an opportunity to express my appreciation for your patronage during your residence in Clinton. And so I want to thank you personally for entrusting your banking business to us. I sin-

Don't Overdo It

It is true, of course, that the use of public-relations letters can be overdone. "Killing the customer with kindness" might prove almost as ineffectual as ignoring him altogether. But only the latter of these extremes is in evidence today as one surveys the public relations programs of banks throughout the United States.

Allowing a bank patron to feel like the "forgotten man" is a costly shortcoming. It can be easily corrected if bank officials will select a few occasions which they consider most appropriate, and make them the basis of friendly notes to their patrons. Every man, woman, and child in America likes to be noticed—and bank customers are no exception.

cerely hope that your association with this bank has been as pleasant for you as it has been for us.

All of us here are genuinely sorry to see you leave this community, for we have valued you not only as a patron, but also as a friend. You have our best wishes for every success and happiness in your new home.

Sincerely yours,

Dear Mr. Phillips:¹

I am sorry to learn that you have closed your account, and I want to assure you that we are reluctant to remove your name from our books.

The fact that you have withdrawn your entire balance leads me not only to express my sincere regret, but also to ask if we have fallen short of your expectations in any way in meeting your present requirements. If so, I shall appreciate your letting me know.

It has always been a pleasure to serve you, and we had hoped to number you among our depositors for many years to come. May we not look forward to the reestablishment of our former pleasant relations?

Cordially yours,

The opportunities for banks to build cordial public relations by mail are by no means confined to the types of letters discussed and illustrated in the preceding paragraphs. There are many other appropriate occasions, such as anniversaries, holidays, and special events (opening of a new bank building, announcement of new services, etc.). The choice of occasions best suited to effective letters will depend upon such factors as the size of the community, size of the bank, and nature of the clientele.

The Goal of the Graduate School

HAROLD STONIER

This article is based upon an address by DR. STONIER, executive manager of the American Bankers Association and director of The Graduate School of Banking, before a group of Graduate School alumni in Philadelphia.

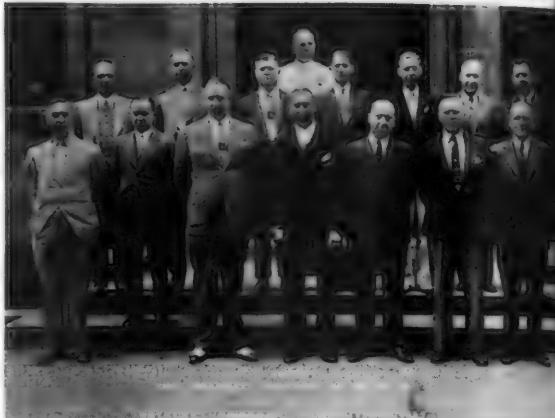
THE American Bankers Association established The Graduate School of Banking in order to meet the educational demands of bank officers who had had American Institute of Banking courses or their equivalent and desired to do further educational work to equip themselves for the tasks ahead.

The Association officers surveyed the field very carefully in order that this proposed program would not conflict with anything else being done by other phases of the Association's educational work, particularly the A.I.B. After studying the problem for some two years, the Association felt that there was an area of educational work which might be undertaken, based upon the courses of the Institute but carried into an area that was not possible for the Institute instruction to cover.

It was realized that only a limited number of bank officers would put forth the time and effort to undertake such a vigorous program but for those who desired to meet this challenge it was believed that such a program could be undertaken successfully. In the field of higher education for business on the part of adults there is probably no more difficult program anywhere than that which has been evolved in the curriculum of The Graduate School of Banking.

During the two years that were given to a survey of this enterprise, various names were suggested and considered—School of Banking, Banking School for Officers, Advanced Institute School, Bankers Educational Conference, and a number of others. It was finally determined to take the name Graduate School of Banking because it would relate itself to the A.I.B. and look upon its standard and graduate courses as prerequisite.

A group of Graduate School seniors on the Rutgers University campus awaiting their turn for thesis examinations



Officers and faculty at the first resident session of the Graduate School in 1935—*front row, l. to r.*, Richard W. Hill*, registrar; John J. Driscoll; Dr. Harold Stonier, director; Adrian M. Massie; Dr. George W. Edwards*; Dr. Willard E. Atkins; Dr. Austin W. Scott; *back row*, Walter Elder, assistant registrar; O. Howard Wolfe; Gilbert T. Stephenson; Dr. Eugene E. Agger; Edward Stone*; Norman C. Miller, associate registrar; James Brines; George P. Barse*

*No longer associated with school

It was also determined to require a thesis on the part of the graduates. This thesis requirement called for original research and writing ability such as is demanded in other graduate schools.

In making a survey of potential students for such work various suggestions were offered as to the length of time the graduate course should take. Some suggested one week, some suggested two weeks, but after the courses were outlined it became apparent that the work could not be satisfactorily concluded in a resident session of a week or two weeks. Therefore the Graduate School evolved the idea of three resident sessions of two weeks each, with 20 months of extension work in between. Under this program it was planned that no studying should be done during the sessions but that it should be undertaken in extension work which was primarily based upon case problems following class lectures.

The Association realized that in taking the word "graduate" it was adopting a word which universities had spent considerable time and effort during the previous 50 years in this country in building up to connote a definite type of educational activity of superior quality. Since its organization 10 years ago, the officers and faculty of the Graduate School have been constantly aware of their responsibility to keep the work of the school at a high level in order to justify the use of the term graduate school. We were pleased, therefore, to have one of the faculty who is a member of a university graduate school of a long standing, say a few years ago: "I can cover more work with these men in the six weeks'



residence time than I can do in 32 weeks with graduate students in the university who have no business or banking background."

The problem of who should teach in the school was a basic one. Should the courses be entirely "practical" and hence the faculty made up only of bankers and business men? On the other hand, since it was to take



Hermann G. Diekelmann, cashier, Horicon (Wisc.) State Bank, center, oldest member of the class of 1945, is the first to receive the Richard W. Hill award. Director Harold Stonier, right, presenting the award, which was established by the school's Board of Regents in 1944 to be given annually to the oldest member of senior class "in recognition of the outstanding services of Richard W. Hill, as registrar of The Graduate School of Banking during the first decade of its existence."

Mr. Hill, who retired in 1944, is at left

the name graduate school, should its teaching staff be made up of college professors? It was finally determined that the kind of work we would do at the Graduate School would concern itself with both the theory and practice of banking as well as ways and means by which the banking business relates itself to government and to the public. We, therefore, invited to the faculty bankers, college professors, and men representing supervisory aspects of state and Federal governments in the banking field. We wanted men who were "too busy" to do the work. In other words, we wanted men who were already heavily engaged in what they were doing but willing to undertake the sacrifice of time and energy to carry forward this work successfully.

In our original faculty in the year 1935 we listed 10 men from banking, universities, from accounting, and the Government. In spite of the fact that we now have over 50 on the faculty, seven of the original 10 men are still on our faculty staff. The other three are no longer connected with banking or teaching. As you know, each year we say to the incoming men that the faculty is the core and the heart of this enterprise because the success of any graduate school depends at least 80 per cent upon the character and ability of the faculty.

First of all, we wanted to establish the resident sessions of the school in a geographical spot that would be closest to the greatest number of bank officers. We found that any university within 100 miles of New York City up and down the coast would be accessible to one-half of the bank officers in the United States by a 12-

hour train ride. And of the universities thus situated Rutgers University seemed the most desirous and most cooperative of any of them at the time. Rutgers, being a state institution, is anxious to be of public service and so this old colonial institution founded in 1766 was decided upon as the scene of our resident sessions. Since that time Rutgers has never lessened its interest in the work of the school and has been most helpful in every respect.

Even before the war many of our men were using air travel to cut down time so that the element of distance becomes very small indeed as we enter the postwar period.

How many officers should we enroll each year? Educators were consulted on this point and the final determination was to admit approximately 200 new students a year so that the student body would eventually be around 600. Educators believe that with the proper breakdown of classes this number could have the type of educational service contemplated.

At that time there were about 50,000 bank officers over the country. It was estimated that 20,000 of these would not apply for admission to the school because of their positions in their institution, age, and similar reasons. That would mean that there were about 30,000 bank officers who might be said to be possible candidates for admission. With a student body around 600 and an incoming class of 200 each year that would mean one student from every 150 bank officers.

In 1941, the last year before the war, we had 104 students enrolled from west of the Mississippi River, so that the Graduate School, through its Admissions Committee, has been able to maintain a geographical spread in its student body and at the same time take into consideration the fact that by far the great majority of bank officers live east of the Mississippi.

Member banks in foreign countries have also applied for admission to the school. A few of these have been admitted and have made a splendid contribution.

It was realized, of course, that the school could easily be filled with officers from the larger institutions. Therefore, at the beginning the Graduate School limited enrolment to three men from a bank each year regardless of size. The Committee on Admissions has always

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Faculty examiners Jones, French and Glenn toss questions to Lt. (j.g.) John Kirkland, of Durham (N. C.) Bank & Trust Co., who received leave from the Navy to take his thesis examination



The Country Banker

Blueprinting Better Communities

HAROLD SEVERSON

MR. SEVERSON, associate editor of the Southern Agriculturist, has contributed numerous articles to BANKING during the past year.

JULY 10, 1944, promises to become an historic date in Putnam County, Tennessee. On that day, at a quiet little meeting at the courthouse in Cookeville, a group of serious-faced government workers presented a report that burst with the impact of a blockbuster. Scores of farmers, county officials and townspeople looked at one another in consternation. A few had suspected the truth; to the majority it came as a complete and shocking surprise.

The speakers knew their facts. For more than six months they had been meeting in a body to study government census figures and surveys. Sacrificing their own time and working for long hours, they had analyzed the mass of figures to arrive at a disturbing conclusion.

Putnam County was poor! Poor in every sense of the word. Its farm income had dwindled sharply and so had its soil fertility. Over half the topsoil had washed away from its sloping fields, for the county is located in the hilly Upper Cumberland region of Tennessee. Putnam County's farm income per farm person had dwindled to less than \$70 each year. So poor was the county that it ranked far down among the 95 counties in the state—eighth from the bottom.

Rural poverty is just as depressing as the city variety. When the government workers had finished with their shocking array of unpleasant facts, worried faces and anxious questions revealed that the truth had struck home.

Some of the statements were more depressing than the others. One was the report that only a small percentage of the rural students ever completed their high school educations. Another statement revealed that farmers were spending more than a third of a million dollars annually for feed and seed grown outside their own

county instead of raising their own. Still more revealing was a report indicating that conditions in many rural homes approximated those of city slums. Sanitary toilets, screened doors and windows and adequate diets were almost unknown. Too large a percentage of the farm homes were without running water, electric lights, kitchen sinks and adequate closet space.

The speakers stated their case well. Their report was too jolting to be set aside for later treatment. The situation called for prompt treatment.

Questions were quickly hurled at the government workers.

"You've diagnosed the trouble with this county," said County Judge W. L. Swallows. "How do you propose to cure it?"

It was a fair question. Fortunately, a prescription had been ordered.

Sparked by the county agricultural agent, J. Huse Martin, the government workers in that county had studied the problem from every angle. They knew what was wrong. Putnam County hadn't lacked for skilled technical advice, because 11 different agricultural agencies had representatives there to supply specialized services. Theoretically, therefore, Putnam County should have been an outstanding example of diversified, profitable farming with at least reasonably prosperous farming communities.

But the reverse was the case. Steep slopes were planted to corn back in grandpappy's time—and grandson was still planting corn in what was left of the topsoil. Most of the best soil had long ago been washed down into the streams as driving rains slashed deep gullies into the hillsides. When one field played out, a farmer could abandon it and clear another field. More corn was planted there, with the rows marching straight up and down the slopes so the rain could gouge out even deeper and more numerous gullies. Then, as the level of fertility kept dropping, farmers could clear even more

land again. It was a never-ending, heartbreaking cycle of land abuse—from timber to gullied fields and finally back to brush and weeds.

Soil erosion spawns many tragedies. They include the children with decaying teeth, crooked bones and the dull faces that accompany malnutrition. That's because their farm parents did not make enough money from their wasted fields to pay for dental and medical advice and to set good nutritious meals in front of them. Farm women living in unpainted, unscreened homes with a minimum of plumbing and conveniences did so from necessity, not choice. The farms simply did not produce enough wealth to take care of those matters.

Of course Cookeville and Putnam County were aware of those realities, but only dimly. Unpleasant facts could be shoved far out of sight in a community's consciousness. Putnam County liked to regard itself as normal—as good as the next county. People crowding Cookeville's main street on a Saturday night seemed just as neatly dressed as those on Winchester's and Springfield's sidewalks.

So outwardly at least, Putnam County was well satisfied with itself. Then on July 10, 1944, the veil of complacency regarding conditions was rudely torn away. It was time for action.

County Agent Martin and the others met an agitated group more than halfway at that meeting. First, they asked for answers to a set of five questions:

"Are you satisfied with present farm and home conditions?"

They received a chorus of dissenting replies.

The other questions were equally brief and to the point.

"Is it possible to improve these conditions?"

The audience believed it possible.

"Do you believe the changes would be worth all they cost—even several times over?"

Here again the listeners voiced approval. The cost could not be greater than the cost in human welfare.

A vegetable garden planted on contour last Spring in Putnam County, Tennessee



Charles L. Lehning, work unit conservationist, and J. Huse Martin, county agent (behind map), discuss proper land utilization with a group of farm people

"Do you think the proper time for making the changes is right now?"

Here the audience became thoughtful. After all, it's easier to consider action than it is to initiate it. But it again gave the green light to that question.

"Will you ignore all obstacles to make the program a success?"

No obstacle could possibly be as formidable as the results of poor farming. The farmers, townspeople and county officials gave it their unanimous approval. From this body came a master committee of 45 farm men and women to develop a program. Here the information collected by the government workers came in handy.

Casting around for an appropriate name for the program, the committee finally decided to call it the "Putnam Prosperity Plan." Selling to the people of the county a four-point program for rehabilitating rural Putnam County was a task requiring plenty of publicity. Here was where Beecher Gentry's *Putnam County Herald*, a widely read weekly newspaper, proved of genuine assistance. A combination of front page article and full page advertisements was devised to acquaint the farmers and townspeople alike with the Prosperity Plan and its objectives. In a full page advertisement in Mr. Gentry's issue of December 28, 1944, they were listed as follows:

- (1) Sound land use and soil conservation.
- (2) Improved farm home and family life.
- (3) Proper farm management.
- (4) Better marketing of farm goods.

The program is an ambitious one and calls for close adherence to the principles of sound farming and management under wartime conditions.

"It gives all agricultural agencies a chance to coordinate their efforts along the same channel," explains W. J. Huddleston, associate professor of agronomy in Tennessee's Polytechnic Institute. Mr. Huddleston is

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A.B.A. and Country Banker

THE commission on Country Bank Operations of the American Bankers Association consists of 20 geographically representative country bankers from 20 different states. Its deliberations at its meeting in Chicago recently were devoted to its existing services to country banks and to new ones that are needed. Four new projects were decided upon for the coming year: A study of the internal operations of country banks, a survey of personnel problems and administration, a study of bond portfolio maturities, and another of the needs of country banks for reserves.

William C. Rempfer, president of the First National Bank, Parkston, South Dakota, and chairman of the commission, presided at the commission's organization meeting, at which A.B.A. President Frank C. Rathje and C. W. Bailey, vice-president of the Association and president of the First National Bank, Clarksville, Tennessee, and Harry C. Hausman, secretary of the Illinois Bankers Association, were guests.

It was revealed at the meeting that letters of appreciation for the cost analysis, completed last Summer for over 3,000 banks, are still coming in and that more than 4,000 banks have already accepted the commission's invitation to participate in this program again this year.

This was one of the commission's major projects of the past 12 months. Another brought to completion at the meeting in Chicago is a new manual on service charges for country banks. The commission has prepared a manual built on the basic principles of fairness to the public and the provision of adequate income in relation to cost, a manual which is simple and understandable and adapted to the requirements of country banks. Detailed announcement will be made as soon as the manual comes off the press.

With the cost analysis and service charge needs in hand, the commission feels that the time has come for another step in its program, a study of the inside operating procedures of country banks looking toward assistance to them in improving these operations. Accordingly it was decided to make a study in this field. In doing so it will draw upon the experience and practices of the banks themselves, uncover the best procedures in use, and make them available to all. It is planned to present the material in a loose-leaf type of information service



President Rathje's four-month old Percheron, which was christened "Country Banker" by members of the Commission on their recent visit to the Rathje farm

which can be built up into a simple and up-to-date handbook on the operating procedures of country banks.

Members of the commission believe that with the war over it is time to study the changes that have come about in personnel problems and administration with particular respect to salaries, pensions, and other benefits for officers and employees. The commission will undertake such a review, assembling information on the subject as it applies to country banks, and make it available to them in such form and with such suggestions as will assist them in the administration of this important phase of their institutions.

More than a year ago the commission published a study on government bond portfolio management. This year it will undertake a survey of country bank bond portfolio maturities and their relation to deposits. It will also make a study of the needs of country banks with respect to reserves.

To carry out the commission's program, Chairman Rempfer has continued four of its old committees and created three new ones. The old committees, which have been continued with some changes in personnel, are the Committee on Cost Analysis, Committee on Service Charges, Committee on Bond Portfolio, and Committee on Public Relations. The three new ones are the Com-

The seven-month old Percheron colt, which Mr. Rathje named "A.B.A." is admired by Commission members



mittee on Internal Operations, Committee on Personnel, and Committee on Reserves.

In addition, Mr. Rempfer named two committees for the purpose of cooperating with other American Bankers

L. EBERHARDT, executive vice-president, Stockton Savings and Loan Bank, Stockton, California; DANIEL H. ERDMAN, executive vice-president, Quakertown Trust Company, Quakertown, Pennsylvania; B. M. HARRIS, president, Yellowstone Bank, Columbus, Montana, and F. R. RANTZ, president, Elliott State Bank, Jacksonville, Illinois.

COST ANALYSIS: S. N. SCHAFER, president, First National Bank, Fort Atkinson, Wisconsin, *chairman*; R. A. BEZOIER, vice-president and cashier, First National Bank, Rochester, Minnesota; RUSSELL H. BRITTON, cashier, First National Bank, Rochester, New Hampshire; DANIEL H. ERDMAN, executive vice-president, Quakertown Trust Company, Quakertown, Pennsylvania, and K. J. McDONALD, president, Iowa Trust and Savings Bank, Esterville, Iowa.

PERSONNEL: HOWARD HAMBLETON, vice-president, Citizens National Bank, Waxahachie, Texas, *chairman*; H. Webb Madison, president, Bastrop Bank and Trust Company, Bastrop, Louisiana; ALONZO PETTEYS, vice-president, Farmers State Bank, Brush, Colorado; F. R. RANTZ, president, Elliott State Bank, Jacksonville, Illinois, and R. B. STEWART, president, The Miami Deposit Bank, Yellow Springs, Ohio.

PUBLIC RELATIONS: CLYDE D. HARRIS, president, First National Bank, Cape Girardeau, Missouri, *chairman*; B. P. Allen, president, First National Bank, Wabash, Indiana; F. C. FORREST, president, First National Bank, Pullman, Washington; HOWARD HAMBLETON, vice-president, Citizens National Bank, Waxahachie, Texas; ALONZO PETTEYS, vice-president, Farmers State Bank, Brush, Colorado, and CLAUDE F. PACK, president, Home State Bank, Kansas City, Kansas.

RESERVES: K. J. McDONALD, president, Iowa Trust and Savings Bank, Esterville, Iowa, *chairman*; B. M. HARRIS, president, Yellowstone Bank, Columbus, Montana; F. C. FORREST, president, First National Bank, Pullman, Washington; GILES H. MILLER, Jr., president, Culpeper National Bank, Culpeper, Virginia, and S. N. SCHAFER, president, First National Bank, Fort Atkinson, Wisconsin.

SERVICE CHARGES: R. A. BEZOIER, vice-president and cashier, First National Bank, Rochester, Minnesota, *chairman*; B. P. ALLEN, president, First National Bank, Wabash, Indiana; RUSSELL H. BRITTON, cashier, First National Bank, Rochester, New Hampshire; JOHN W. BROWN, Jr., president, First National Bank, Sylacauga, Alabama, and STANLEY A. NEILSON, president, Bank of Gowanda, Gowanda, New York.

Visiting bankers sat on bales of hay while watching a parade of thoroughbred Percherons

PHOTOS BY JOHN J. McCANN



Country Banks Plan Aid to Farmers

Eight Committees to Carry Out Intensive Program

HELPING to keep agriculture financially strong, the development of efficient farm lending methods, and the merchandising of farm credit services were set forth as the year's objectives of the American Bankers Association's Agricultural Commission by Chairman C. W. Bailey, president of the First National Bank, Clarksville, Tennessee, at the commission's Omaha, Nebraska, sessions last month. Charting the course for the commission, Mr. Bailey strongly advocated better banking to serve farming more efficiently.

He designated eight project committees to carry out intensive programs during the next 12 months in furtherance of the commission's objectives. In charging the committee chairmen with the responsibilities of their assignments, Chairman Bailey stated:

"The committee programs must not be confined to studies and reports, but must include as well active plans for bringing the attention of bankers throughout the nation to the continuing importance of bank activity in the agricultural field."

Chairmen of the project committees, who will make their own committee appointments, are:

Committee on Farm Land Prices: JESSE W. TAPP, vice-president, Bank of America N.T. & S.A., San Francisco, California, *Chairman*; Dr. O. B. JESNESS, chief of Agricultural Economics, University of Minnesota, St. Paul, Minnesota; and Dr. E. C. YOUNG, dean, Graduate School, Purdue University, Lafayette, Indiana.

Committee on 1000-Point Rating Program: R. N. DOWDIE, president, Fidelity State Bank, Garden City, Kansas, *Chairman*.

Committee on County Key Bankers: C. T. O'NEILL, vice-president, National Bank & Trust Co., Charlottesville, Virginia, *Chairman*. (Farmer-banker meetings will come under this committee.)

Committee on the Development of Efficient Farm

State association secretaries at Omaha meeting — *l. to r.*, Carl Swanson, secretary-elect, Nebraska Bankers Association; Mrs. Lois J. Halvorsen, secretary, South Dakota Bankers Association, Huron; and Eurne P. Gum, secretary, Oklahoma Bankers Association, Oklahoma City. Fred M. Bowman, secretary, Kansas Bankers Association, also attended meeting



Robert N. Downie, president, Fidelity State Bank, Garden City, Kansas, reporting on soil conservation and improvement meeting held in Washington recently. Seated at table, in foreground, *l. to r.*, A.B.A. Deputy Manager A. G. Brown; Chairman Bailey; Agricultural Credit Subcommittee Chairman Thomson; L. C. Wright, president, Security Bank, Blackwell, Oklahoma, and member, Subcommittee on Agricultural Credit

Lending Methods: OTIS A. THOMPSON, president, National Bank and Trust Co., Norwich, New York, *Chairman*; Dr. VAN B. HART, Extension Professor of Farm Management, New York State College of Agriculture, Cornell University, New York.

Committee on Youth Activities: WARREN GARST, cashier, Home State Bank, Jefferson, Iowa, *Chairman*.

Committee on Soil Conservation: W. W. CAMPBELL, president, National Bank of Eastern Arkansas, Forrest City, Arkansas, *Chairman*.

Committee on Individual Bank Activities as Related to Agriculture and State Bankers Associations' Agricultural Committees: E. L. BOSTON, president, First National Bank, Angleton, Texas; OLUF GANDRUD, president, Benson County Bank, Inc., Benson, Minnesota; WILLIAM C. CHRISTENSEN, president, Commercial National Bank, Hillsboro, Oregon; and J. C. CULPEPPER, vice-president and cashier, Bank of Alapaha, Alapaha, Georgia, *co-chairmen*.

The co-chairmen of this committee will divide up the nation geographically for the purpose of ascertaining what outside farm programs are being carried on, how successful they are, bringing them to the attention of the staff, and making contacts with state agricultural committees.

Committee on Commodity Credit Corporation Loans: JOHN H. CROCKER, vice-president, Citizens National Bank, Decatur, Illinois, and FRANK R. McGEEOY, Jr., president, Bank of Greenwood, Greenwood, Mississippi, *co-chairmen*.

Meeting with the commission in Omaha were members



of the Subcommittee on Agricultural Credit of the Committee on Federal Legislation, and several groups representing state bankers associations from nearby mid-western states. This group, numbering 62 people, discussed more than 20 subjects related to bank services to agriculture.

Soil conservation, extension of "outside the bank"



Hosts and honored guests at an Omaha Clearing House Association luncheon. *L. to r.*, H. M. Bushnell, president, Omaha Clearing House Association and The United States National Bank; Frank C. Rathje, president A.B.A. and Chicago City Bank and Trust Company; Ray R. Ridge, vice-president, Omaha National Bank; Chairman Bailey; and W. A. Sawtell, president, Stock Yards National Bank, Omaha

farmer-banker community programs, and farm youth education through 4-H Clubs and Future Farmers of America received particular emphasis.

W. W. Campbell, president, National Bank of Eastern Arkansas, Forrest City, Arkansas, and chairman of the commission's Committee on Soil Conservation, presented a nine-point program for soil conservation and improvement. Two films were shown stressing the importance of bank activity in this field. One of these was supplied by Eugene Gum, secretary of the Oklahoma Bankers Association, and illustrated soil conservation work in which Oklahoma banks are cooperating.

Points offered for inclusion in the commission's soil conservation program were: (1) To encourage all banks to become informed of the need for conservation in their own community; (2) to extend adequate credit to finance all phases of conservation; (3) to assist in the organization of soil conservation districts where erosion hazards are most serious; and (4) to initiate conservation education and recognize achievement in this field.

Otis A. Thompson, president, National Bank and Trust Company, Norwich, New York; Warren Garst, cashier, Home State Bank, Jefferson, Iowa; R. N. Downie, president, Fidelity State Bank, Garden City, Kansas; and C. T. O'Neill, vice-president and trust officer, National Bank and Trust Co., Charlottesville, Virginia, led round table discussions on various phases of farmer-banker-community programs. Topics of discussions were: "Development of Efficient Farm Lending Methods," "The 1,000 Point Rating Program," "The County Key Banker," and "Merchandising

Farm Credit Services." All stressed the importance of the banker being thoroughly familiar with farm operations and conditions in his own rural community.

A feature of this part of the program was the award of a special citation to the South Dakota Bankers Association for having achieved for 10 consecutive years the A.B.A. 1,000 point award. The \$200 cash award was accepted on behalf of South Dakota banks by Mrs. Lois J. Halvorsen, association secretary.

Recognition was given to the importance of county key banker participation in bank-sponsored community programs as liaison between farm leaders and banks of their areas, the state association agricultural committees and the national program. In this connection plans are being made to provide the county key banker with a manual to guide in activities designed to promote the welfare of agriculture.

During the coming year the Agricultural Commission will continue its efforts to have banks in each rural area promote educational activities in cooperation with their state colleges of agriculture and their local high schools. Nationwide reports of banker sponsored activities of 4-H Clubs and Future Farmers definitely established the continuing interest of bankers in advancing farm education among youth. The importance of a newer adult phase of farm education was disclosed in reports of more than 1,000 banker-farmer meetings held last year. At these meetings teachers and experts from state colleges of agriculture, county extension agents and many other farm leaders not only discussed better farming methods, but also many improvements which mean a more satisfactory life for the farm family.

In the sessions devoted to banking services, the commission discussed credit files, farm accounting, farm equipment financing, chattel mortgages, assisting farmers to build financial reserves, and GI loans.

On the subject of loans to returning war veterans who wish to engage in farming, John N. Thomson, vice-president and cashier, Bank of Centerville, South Dakota, said: "There is no greater service that we can render to our returning veterans than to make certain that they are afforded every opportunity to farm successfully."

(CONTINUED ON PAGE 126)

Three of the five members of the Advisory Council of the Agricultural Commission attended the Omaha meeting — *L. to r.*: Dr. E. C. Young, dean of the Graduate School, Purdue University; Dr. O. B. Jesness, chief, Division of Agricultural Economics, University of Minnesota; Dr. Van B. Hart, extension professor in farm management, New York State College of Agriculture, Cornell University

PHOTOS BY ACME



Muskrat Farming

The author, a resident of Mt. Gilead, Ohio, is engaged in research in land use in the Buckeye State.

WAYNE COUNTY is one of the richest agricultural counties in Ohio. Yet a few years ago during the early days of this war a tract of bottom land sold for \$6.12 per acre. The facts behind this statement should be of interest to all concerned with farm finance.

A 442-acre farm was sold for taxes for \$2,705. The records reveal that there was \$10,870.38 in delinquent ditch and real estate taxes accumulated against this land, so the loss to the community for this one farm was more than \$8,000.

About a quarter of a century ago sluggish Killbuck Creek was dredged to make the rich bottom land available for cultivation. This expensive operation had a beneficial effect for a few years, but much land quickly reverted to marsh and swamp as the stream silted in. For a long time it was considered as waste land and the public became resigned to accepting it as of no value and a burden on the county.

Muskrats made the difference. They came back to the Killbuck swamps and marshes as these areas became reestablished. This chance population led the way to systematic management. These areas were dammed and diked to improve conditions for muskrats and the venture proved successful. Farmers and others in the valley began to acquire this waste wetland and manage it profitably. Farming wetlands for muskrats became a regular part of the farm program on many farms in this region.

Furthermore, owners of these wetlands discovered that duck hunting is a highly regarded privilege and



This marsh yielded 14 muskrats per acre, the income therefrom comparing favorably with that from cultivated land on the farm

hunting rights were leased on many of the areas to add to the income from this land.

These marshes and swamps yielded high incomes. For this reason this type of land use spread and the demand for the land increased until today there is a regular market for it throughout the state. Perhaps this is a practical use for thousands of idle acres throughout the country. In some states it is estimated by authorities that 2 to 3 per cent of the land is useless for conventional agriculture because of poor drainage and in some communities a substantial portion of the land is in this category. Therefore this type of land use may be widely applicable and of great importance locally.

Such a trend should be significant to rural bankers for several reasons. First, it helps increase land values. Large marshes and swamps are in demand and small ones on the farm are no longer considered liabilities.

Second, the trend has reduced tax delinquency and lowered taxes in the community. Much land has been returned to the tax duplicates.

Third, this type of farming is sound land use that helps save soil, retain water and restore the water table.

Fourth, it is a good business risk where the land cost is not too high. For the time, money and equipment invested it yields an excellent return.

Finally, and by no means least, it should cause bankers to scrutinize carefully proposed drainage projects and use their influence to discourage expensive mistakes. Drainage is not always beneficial.

Wetlands, properly farmed, are productive and muskrats are profitable.

MERRILL C. GILFILLAN

BANKING

News Around and About

Merchandising . . . Bank Operations . . . Legislation . . . Better Farming

South Dakota Wins 1,000 Point Award

THE South Dakota Bankers Association received a special 10-year award from the Agricultural Commission of the American Bankers Association for exceptional services rendered by country banks in that state to their farm customers at the annual three-day executive session of the commission in Omaha last month to plan a country bank program for 1946. The award was presented by C. W. Bailey, chairman of the commission and A.B.A. vice-president, during a discussion of the 1,000 point rating program.

C. T. O'Neill, vice-president and trust officer of the National Bank and Trust Company, Charlottesville, Virginia, who is chairman of the 1,000 point rating program committee, reported on this year's national country bank survey. Representing South Dakota banks were: C. O. Gorder, president of the South Dakota Bankers Association, who is also vice-president of the First National Bank of Black Hills, Deadwood; Mrs. Lois J. Halvorsen, secretary of the South Dakota Bankers Association, Huron; A. G. Berger, chairman of the agricultural committee, South Dakota Bankers Association, who is also cashier of The Deuel County National Bank, Clear Lake; and E. Schouweler, member of the agricultural committee, South Dakota Bankers Association, who is also cashier of the Bank of Veblen.

Each year the A.B.A. commission rates all of the states on the basis of country bank activities and the programs carried on by the agricultural committees of the state bankers associations. Points are given on the basis of "regular" and "extra" services rendered by the banks in the interest of agriculture in their home communities. This year, 40 states received the annual 1,000 point award, and South Dakota was cited for having won the award for 10 consecutive years and given \$200 in cash, which will be used by the association in promotion of educational activities for farm youth.

Successful Farm Loan Advertising Techniques

Newspaper and radio advertising, contact with farm equipment and supply dealers and personal solicitation are the principal media used by the INDUSTRIAL TRUST COMPANY of Providence, Rhode Island, in selling its farm loan service to potential borrowers in southern New England. Robert G. Cooke, head of the bank's farm loan department, gives an interesting report on his bank's methods in reaching farm customers, as follows:

"Since the start of our farm loan department in March 1945 we have attempted to supply full credit needs for agriculture in southern New England. This in-

LOANS FOR FARMERS



Although we have always provided financial assistance to farmers in Southern New England, it is our intention to enlarge and broaden these facilities.

So, we have established a special Farm Service. In charge is a man of thorough training and practical experience in New England farming, dairy-ing and fruit growing. Through an ever-closer association with farm operations and farm problems, this depart-

ment will be able to give advice and aid in the financing of farm production. Our various types of loans will be made on terms most favorable to the borrower—not complicated by "red tape", long delays, or burdensome rules and regulations. In this way we can help the farmer to make more money.

Get acquainted with this friendly service by a personal visit or a letter to Bob Cooke.

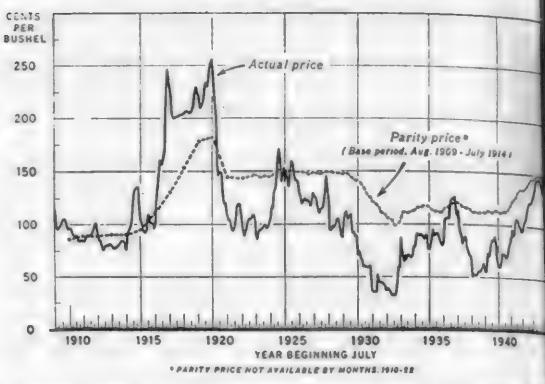
FARM MORTGAGES • LOANS FOR PRODUCTION
PURCHASE OF EQUIPMENT, LIVESTOCK,
AND OTHER AGRICULTURAL NEEDS

One of a series of advertisements used by the Industrial Trust Company of Providence, Rhode Island, to acquaint Southern New England farmers with its agricultural loan facilities

cludes mortgage loans on both full and part-time farms, as well as rural property. We are providing direct loans to farmers for any need that may arise such as for the purchase of fertilizer, seeds, equipment, live stock, repairs to buildings, etc. In addition, we are making indirect loans, too, through discount of farm equipment paper with dealers in this area. We are also receiving requests for the financing of business that deals with the farmers, such as the grain, fertilizer, retail milk dealers and others.

"As part of this program we have attended many farmer meetings and called on many business men that deal with farmers. This type of contact work includes dealers handling grain, fertilizer; in fact, anyone who is dealing with farm people. We attempt to sell them our program with the request that they send to us or let us know of anyone that they feel is worthy of bank credit. If we hear through the grapevine that a farmer is buying a tractor, farm, building a barn or needs financial assistance we proceed to get the necessary credit information to determine if a loan could be made to him. We then call on the farmer for his loan business.

WHEAT: PRICE RECEIVED BY FARMERS AND PARITY PRICE,
UNITED STATES, 1909-45

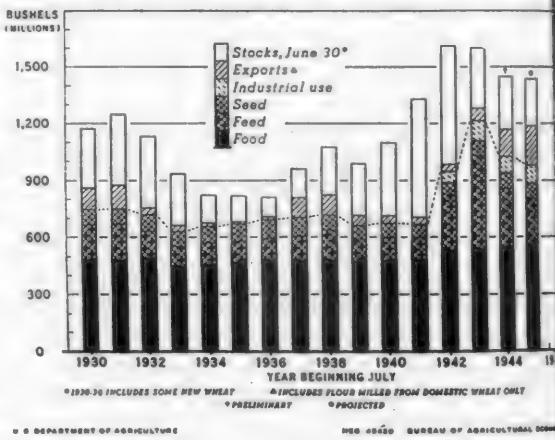


U. S. DEPARTMENT OF AGRICULTURE

NO. 28712 BUREAU OF AGRICULTURAL ECONOMICS

The charts above and below were taken from a booklet—"Wheat Farming—A Look Ahead"—recently published by the Federal Reserve Bank of Minneapolis. This publication includes a discussion of "Wheat—Most Important Ninth District Crop"; "Wheat Production Expanded During World War II"; "Postwar Wheat Requirements"; "Postwar Wheat Export Outlook Uncertain"; "Wheat Price Guarantees"; "Parity Wheat Prices May Stimulate Overproduction"; and "Possible Adjustments in Wheat Production."

WHEAT: DISTRIBUTION OF U. S. SUPPLY, 1930-45



U. S. DEPARTMENT OF AGRICULTURE

NO. 40620 BUREAU OF AGRICULTURAL ECONOMICS

Bankers Attend Farm Credit School

Leading agricultural economic authorities and bankers with practical experience in farm problems joined forces in a broad program of discussion at the Farm Credit School arranged jointly by the Virginia Bankers Association and the Virginia Polytechnic Institute and held at Blacksburg, Virginia, on November 11-13.

Two panel discussions were included on the program. The first of these was on the general subject of "Methods of Extending Various Types of Farm Credits," with prominent bankers leading discussion on each of the following subtopics: Loans to dairymen, loans to breeders and feeders of beef cattle, loans on farm equipment and buildings, and banker-farmer cooperation. The second panel was on "GI Loans."

Other topics discussed by agricultural economists and bankers included: "Some of Our Problems"; "Farming as a Career for Young Men"; "Financing Farmers on a Business Basis"; "Field Warehousing"; "Practical Soil Conservation"; "Timely Advice for Returning Service Men"; and "Highlights of the School."

A feature of the school was an inspection of dairy barns and other facilities at the Virginia Polytechnic Institute. Time was set aside on both days of the school for questions from the floor.

Key Bankers Study Livestock Problems

County key bankers in Tennessee were invited by county agents of the State Agricultural Extension Service to participate in a series of meetings recently scheduled under the auspices of the Tennessee Livestock and Meat Council. Among the subjects discussed were the expenses of the livestock industry; the improvement of the quality of livestock; the development of a definite crop and feed production program; adequate measures to control disease; junior farmer work; and marketing problems.



BUILDING for the Future

A Home Worth Having

JOHN L. COOLEY

THE evening was foggy, rainy, chilly, Novemberish, and you couldn't blame folks for staying comfortably indoors reading, visiting, playing bridge—or going over their plans for that home, sweet home of their own which they hope to start building next year.

But the several hundred people who are the background of this story neither read, nor visited, nor played bridge that night. Neither did their family circles argue, for the dozenth time, whether to put asphalt, wood or slate shingles on the new house. However, they did something even better. Putting on raincoats, they walked, drove or bussed to the spacious Klein Memorial Auditorium for the semi-monthly meeting of the Home Planners' Institute of Bridgeport, Connecticut.

If you have any doubts as to the market for new homes, you should have attended that meeting. You would have seen 800 men and women—business and professional people, housewives, clerks, industrial workers, young and middle-aged couples, wearers of the discharged serviceman's button—sit for an hour and a half while a speaker talked on their favorite theme, that little home of their own. Occasionally, during the talk, you might have noticed a man or his wife scribble on a card that had been handed them when they came in, and then slip the card along their seat row to an usher.

Later you'd have heard the Yale University professor of architecture, who presided, read from the cards thus accumulated questions on building problems:

"Should plywood be used for subflooring?" "Is it desirable to build a home without a basement?" "Is it more economical to build a one-car or a two-car garage?" "How much time is required for plaster to dry?" "How long should it take to build

a medium-priced home under normal conditions?" "Is dry wall construction practical?" "Are wood shingles as good as slate?" "Is it OK to paper over new plaster?" "What's the average life of an asbestos shingle?" "Why does paint peel?"

These and other questions the speaker answered in the time allotted, and the audience went home to apply its new knowledge to the plans for the houses of tomorrow.

But there's more to the story than this. The people at that meeting represented only about a fifth of the Bridgeporters who have enrolled in this thriving Institute, for some 4,200 persons are now on its list. Obviously, every one doesn't come to each meeting. Rather, the members select from the prospectus the home-building discussion topics that interest them—and they have a wide choice, for 15 meetings have been arranged, covering a broad range of subjects, from site selection to

More than 1,500 persons attended the first meeting of the Bridgeport Home Planners' Institute





At a recent session of the Institute, left to right, Director Gordon F. Christie; Professor Richard M. Bennett, moderator; Norman P. Mason, speaker; Arthur Clifford, chairman of the Institute's executive committee

remodeling and modernization. And obviously, too, the attendance was curtailed by the weather.

THIS Home Planners' Institute is one of many similar organizations scattered throughout the country. The basic plan—a group of prospective home builders or buyers who meet occasionally to educate themselves in materials, construction and equipment—has various adaptations. However, the Bridgeport program is unusual in its careful organization, its large membership, its timing, and its diverse sponsorship.

It was formed last Summer under auspices of the Chamber of Commerce to serve the 275,000 residents of the Bridgeport metropolitan area; the city proper has a population of 150,000 people, a large percentage of whom could be classed as "war workers," for Bridgeport is highly industrialized and contributed mightily to the war effort.

Banks, public utilities, the city government, department stores, material and equipment dealers are on the list of Institute sponsors and supporters. The director is a banker, Gordon F. Christie of The Bridgeport-People's Savings Bank. On the executive committee are George H. Woods, president of that bank and Horace Merwin, president of the Bridgeport City Trust Company; other lending institutions in the city participate actively.

Groundwork for the Institute was laid about a year ago when an organizing committee talked over its plans with men who were conducting similar organizations elsewhere. The West Coast Lumbermen's Association, pioneer in this home-builders' program, also gave assistance. Other preliminaries included consultations with Bridgeport banks and businesses that might be interested in contributing financial support to cover the cost of expenses, mostly promotion. Sponsors were asked to give from \$100 to \$1,000, depending upon the kind of business. (Bank contributions ranged from \$100 to \$750.)

The mayor of Bridgeport, town managers and selectmen of communities in the area, and other local government officials endorsed the plan and signed a joint proclamation calling it to the attention of the resi-

dents. Various associations also gave the project their approval.

Other preliminaries, which were well under way by mid-Summer of 1945, included a slogan contest. First prize, a \$100 War Bond, was awarded to a young woman whose offering was "A Home Worth Having Is a Home Worth Planning." Radio stations carried announcements of the Institute, sponsors were provided with newspaper mats for use in their advertising, and 175,000 promotional folders and registration cards enrolling the signer and announcing the first session, were mailed by the sponsors during August.

Meanwhile, the executive committee was lining up speakers. It was decided to limit the agenda to 15 subjects, one of which would be discussed at each meeting on the second and fourth Monday evenings of the month; likewise that only out-of-town speakers be obtained and that each must be outstanding in his field. Another qualification was that he must be an able speaker who could answer the audience's questions. Controversial points were tabooed; the speaker could not indicate whether he preferred brick, tile, wood, asbestos, cement blocks, or other materials, either outside or inside the house. No specific financing services were to be recommended, either. It was felt that the Institute could serve best if it was strictly impartial on all points—and that rule has been rigidly observed.

Then came the question of conducting the meetings.

(CONTINUED ON PAGE 88)

One of the promotion leaflets circulated by the Institute

Learn how to get the most
for your money when building
or modernizing your home!

THE HOME PLANNERS'
INSTITUTE
OF BRIDGEPORT

A non-profit community program
to help you plan your new home

UNDER THE AUSPICES OF
THE BRIDGEPORT CHAMBER OF COMMERCE

Building News

Veterans' Home Building Service

THE picture shows a group of officers of the Worcester (Massachusetts) mutual savings banks discussing with A.B.A. staff members the details of a proposed service for returned veterans. After canvassing other material that was available, this committee has decided to use the letter bulletin series in the recently announced A.B.A. mortgage merchandising program for this purpose.

A municipally operated veterans' service bureau has been established to provide all types of service and counsel for Worcester veterans. All discharges are furnished kits containing a variety of printed material on subjects of importance to them. Very careful supervision is maintained over the material provided in this manner. Because of the widespread interest in home construction among veterans, the educational value for this purpose of the bulletins and the fact that the banks refrain from incorporating any commercial appeal in the accompanying letter, an invitation was extended to them to provide for inclusion in all kits distributed of a copy of the letter-bulletin entitled "Designing the Home."

Incorporated in the limited text on the specially designed front page is an invitation to veterans to contact any one of the sponsoring banks in order to be provided with subsequently issued bulletins.

It is planned to utilize the covers of succeeding issues to furnish current information on GI legislation, availability of building materials, projected new housing developments in the area and any other pertinent facts on home construction.

This group of banks is also cooperating with the local Master Home Builders Association in the erection of a model home which will be awarded as an attendance prize at a home building show to be held in the Spring.

Myron F. Converse, president of the American Bankers Association Savings Division and of the Worcester Five Cents Savings Bank, is chairman of the group.

During the war years the cooperative program of these Worcester banks reached a new high. Besides special promotions in support of each War Loan campaign, the banks sponsored a Victory Garden program that achieved national recognition. A full-time staff has been maintained to promote the sale of savings stamps in all the schools.

Home Site Bulletin

"Selecting the Home Site" is the topic of the letter-bulletin which has just been issued by the A.B.A. Advertising Department as the second in its mortgage merchandising series. Among the aspects of site selection covered are legal, costs, drainage, soil, orientation, plot layout, and proper lot size and shape. The text is amply diagrammed.

Along with the sample copies which have been distributed to participating banks has gone the second



BANKING'S COVER

These are the Worcester, Massachusetts, bankers and A.B.A. staff members at their recent meeting: Seated, l. to r., Arthur Guy, president, Worcester Mechanics Savings Bank; Percy H. G. Harris, treasurer, People's Savings Bank; Chairman Myron F. Converse, president of A.B.A. Savings Division and of Worcester Five Cents Savings Bank; Thomas H. Callery, president, Bay State Savings Bank; Harry C. Midgley, president, People's Savings Bank; Harry I. Spencer, treasurer, Worcester County Institution for Savings. Standing, l. to r., Howard B. Smith, director, A.B.A. Department of Mortgage and Real Estate Finance; Harrison G. Taylor, treasurer, Worcester Five Cents Savings Bank; C. Lane Goss, vice-president, Worcester County Institution for Savings; John B. Mack, Jr., manager, A.B.A. Advertising Department

listing of manufacturers' literature and services prepared by the Department of Research in Mortgage and Real Estate Finance. A number of new publications available for bank distribution to home prospects are described as well as two films for showing to groups.

Profitable Redevelopment

The conclusion that urban redevelopment projects offer large financial institutions an opportunity to make a stable profit is reached by the Manhattan Development Committee in a study of 642-acre East Harlem, one of New York City's worst-blighted areas.

The study, which is being published for the committee by *The Architectural Forum*, finds that redevelopment of this section under a partial tax exemption plan would offer a 6.5 per cent over-all return to institutional investors. The report is believed to be the first of its kind to be conducted with the cooperation of all groups interested in a private urban redevelopment: banks, insurance companies, architects and municipal departments.

"Speculative builders will neither have the necessary capital nor will they be satisfied with the low rate of return accruing over the long period necessary in such operations," says the report.

"Therefore the bulk of large-scale redevelopment must be undertaken by large institutional investors or by the Government."

WASHINGTON



U. V. WILCOX

MR. WILCOX, a Washington journalist, reviews some problems that center in the nation's capital.

BANKERS, with business men, manufacturers and merchants, are very much a part of the reconversion drama now going on in the capital. Their advice and counsel is asked and valued. While frequently not followed, their views have at times persuaded Administration leaders from taking counter courses detrimental to the economic future of the nation.

The Fear of Inflation Inflationary fears exist here. There is a basis for such fears in rising costs, labor pressures for higher wages and delays in production of goods which would act as an inflation brake. The Truman Administration is aware of these trends and is greatly concerned. Bankers have communicated their fears to high government officials.

There are developing movements in Congress which could have serious repercussions upon the banks and their earnings, and would, at the same time, seriously undermine public confidence in the money and investment machinery of the nation. The sponsors of such programs are not especially anti-banking; rather, they are converts to a form of monetary sophistry. Administration officials are aware of these potentialities and have sought to reassure bankers while trying to circumvent their planning.

Banks and the War Loans While banks have, and are playing, important roles behind the reconversion battlelines, they have admittedly earned the right to give advice and counsel. They have gone all-out in the long series of bond drives and worked zealously to make the final Victory Bond campaign a success. It would have been difficult to attain the high goals in the selling of government bonds without the cooperation of the banks of the nation.

This machinery, which the bankers themselves have developed, has thus been put to use in the national interest. Nearly 15,000 banks, individually owned and operated, yet linked together cooperatively, responded when called upon to serve, and without cost to the taxpayers. The success of the bond drives in dispensing millions of Treasury securities to the public, attests to the cooperative skill and patriotism of bankers.

Perhaps if the public better understood the role of banking in the interests of the Government, the public would then insist that bankers, as such, play a more dominant part. On the other hand, those bankers who have quietly served the Government have not forgotten the days when their occupation and their livelihood were questioned. Bankers, like the money and the bonds and securities they handle, are sensitive to criticisms.

Reconversion Confusion

The confusion of reconversion efforts has tied into the banks. Should inflationary trends now evident further accelerate, the very Government bonds which the bankers have sold to the thrifty would prove an embarrassment. Political Washington is not so much aware of this fact, but bankers cashing savings bonds know that they will be the first to hear the complaints, should the dollars paid out represent depreciated values.

Thus when political pressures develop behind the programs for increasing wages and government salaries, at the expense of corporate earnings, there is deep concern. The Truman Administration is attempting to balance the political support of radical labor, while at the same time urging manufacturers to take chances on profits, not yet earned.

Secretary of Commerce Wallace has issued figures designed to prove that business management can afford to divide its profits with labor. A new concept, fundamental to the private enterprise system, has been advanced. Labor insists that private management can equally divide the profits flowing from their combined efforts. However, these government-sponsored figures provide nothing for the risks of competitive selling. Even more important, there is no provision in the Wallace formula for the research and inventiveness which must also be rewarded from out of profits. An equal division of profits, as proposed, holds out little hope for newer and better products in the future.

Many manufacturers, like many banks, have built up reserves during the war years. They have shown high earnings because they could do little else but work for the Government. The Government was the chief buyer, and in the main wrote the rules. Banks sold bonds and purchased bonds. Commercial loans were largely for war production purposes.

One of the fundamental problems with which the

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Truman Administration is struggling is how to guarantee a continuance of the same high profits and full employment which prevailed during the free spending days of war. But the Truman Administration itself is divided. There are those who fear inflation more than deflation. On the other hand, small doses of inflation are known to be exhilarating, and at the first, so popular!

The current wave of strikes and unsettled labor conditions is traditional in America following a war. At this time it is sparked by leaders, fearing that any delay in securing higher rewards, will mean loss of bargaining power. As unemployment mounts from the return of veterans, strikes will prove less effective as an industrial weapon.

A Trio of Job Bills Administration leaders are well aware of the philosophy now motivating labor's demands. To offset it a program such as the Labor-Management Conference, provides needed delays and postponement of the issue. Meanwhile, Congress is asked to put through the three job bills—full employment, compensation for unemployment, and an increase in the minimum hourly wage for all industries engaged in interstate commerce.

Some congressional leaders are equally cognizant of these same pressures, and the reasons for them. Furthermore, the leadership of the present Congress is not nearly so radical minded in such matters as when President Roosevelt was in the White House. Representatives and Senators from rural districts, and predominantly farming states, are aware of the unpopularity of strikes and reconversion delays resulting from stoppage of work.

If this Congress passes the trio of job bills which President Truman has asked for, it is apparent that they will be very much watered down from their original form.

President Truman, Secretary of State Byrnes and Prime Minister Attlee aboard the presidential yacht Sequoia during their mid-November conference

There is now much more independence of action in Congress, especially as concerns White House wishes. This does not mean that the President is unpopular or that he is disliked. In fact, while his wishes are more ignored than those of his predecessor, he is less sharply criticized and better liked. The President, as a former Senator, is admired, but Mr. Truman as the President is not now the sole voice of national government. Congress now insists that it knows just as well—and perhaps even better—what the people want.

The Loan to Britain Congress must face another test as between what the White House says is in the interests of national well being, and

its own reactions, supported somewhat by national sentiment already partially clarified. This concerns government—Treasury—loans to Great Britain. That the executive departments are aware of the contest ahead is clear. To offset present reactions against large scale loans to Great Britain, and perhaps later to Russia, there is in preparation a government-sponsored and directed propaganda campaign, after the order of the program followed in connection with the Bretton Woods monetary agreements.

All early negotiations were conducted in an air of secrecy. News stories have appeared, revealing the probable total amount of the loan which Great Britain desired; and also the interest rate which the financial representatives of Great Britain said that nation could afford to pay. However, no official statements were issued from either the State or Treasury departments, the Federal Reserve Board, or other financial agencies participating in the discussions. The only reasonably clear presentation was offered by Lord Keynes as spokesman for the British Government. He freely discussed the outlook prior to a formal application for the loan.

It appears obvious now that the need of Britain is for a very large loan. Also that such a loan should have been considered before the Bretton Woods program was high pressured through Congress. At that time Congress was much more sympathetic toward the needs of her allies. In fact, it can be recalled that when the Senate Banking Committee was considering the Bretton Woods program, banker witnesses, strongly supported by members of that committee, were anxious to first give aid to Britain. American bankers then told the Senators that to pass the Bretton Woods program without first solving Britain's financial dilemma would be putting the cart before the horse.

So strong was sentiment in that Senate committee that it was with difficulty Treasury officials convinced them Bretton Woods should have priority and that British needs could be looked after later. Now, however, it is clear that America's English ally will be unable to accept the Bretton Woods proposal unless she is able to obtain a large loan, at very low interest rates. That is the dilemma which a government-sponsored propaganda campaign must overcome, plus the fact that the end of the war provides the very human and historically natural desire to escape from mixing more than is necessary in foreign troubles, especially if these include loans to nations which proved unable to meet earlier obligations.

(CONTINUED ON PAGE 127)

BANKING NEWS

Month's Drive Brings 51 New A.B.A. Members

Nebraska Leads in October Accessions

The tentative goal of the A.B.A. Organization Committee this year is to cut in half the present list of banks that are not members of the Association, says R. L. Dominick, committee chairman and president of the Traders Gate City National Bank, Kansas City, Mo.

At the end of the last Association year, Aug. 31, only 575 banks of the more than 15,000 in the country did not have membership.

Mr. Dominick reports that a good start has already been made since the opening of the new Association year on Sept. 1, with 51 new member banks on A.B.A. rolls. The greatest gain in the number of banks has been made in Nebraska.

The New Members

The new member banks include:

Alabama: Marion County Banking Company, Hamilton; Bank of Red Bay; Citizens Bank, Valley Head.

Arkansas: The Citizens Bank, Bearden.

California: Huntington Park Bank.

Colorado: Jefferson County Bank of Lakewood.

Connecticut: Cromwell Dime Savings Bank; City Savings Bank of Middletown; Farmers & Mechanics Savings Bank, Middletown; The Savings Bank of Ansonia.

Delaware: Georgetown Trust Company.

Florida: Florida Bank at Ft. Pierce.

Georgia: Bank of Duluth; Bank of Worth County, Sylvester; The Citizens Bank, Tifton.

Indiana: First National Bank, Kokomo.

Illinois: Leland National Bank; The State Bank of Lombard; Mazon State Bank; Rock Falls National Bank.

Iowa: Hills Bank & Trust Company; Mediapolis Savings Bank; Oran Savings Bank.

(Continued on page 69)

E. M. Fisher Leaves A.B.A. for Columbia Faculty; Dunkerley, Smith Head Savings, Mortgage Sections



E. M. Fisher



J. R. Dunkerley



H. B. Smith

Dr. Ernest M. Fisher, A.B.A. deputy manager with supervision over the Savings Division and director of Research in Real Estate Finance, resigned effective Dec. 1 to join the faculty of the Columbia University School of Business where he is a professor of Urban Land Economics. He will launch at Columbia the most intensive study yet undertaken on real estate problems in large centers of population.

Deputy Manager J. R. Dunkerley, secretary of the Savings Division and of the Organization Committee, has assumed full supervision over the Savings Division. Howard B. Smith succeeded Dr. Fisher as director of Research in Mortgage and Real Estate Finance.

Dr. Fisher, wartime adviser to the State Department on Liberated Areas and for years a leading authority on the economics of urban land use, will continue to serve as a consultant and adviser to the American Bankers Association and as a member of the faculty of The Graduate School of Banking.

Dunkerley With A.B.A. Since 1927

Mr. Dunkerley joined the Association staff in 1927. Since that time he has served in several capacities, including assistant to the executive manager, secretary to the Administrative Committee and Executive Council, and secretary of the Organization Committee. He was the first secretary of the Public Relations Council. Mr. Dunkerley became assistant secretary of the Savings

Savings Bankers Plan Big Program for 1946

A.B.A. Division Heads Boost Services, Thrift

Increased activity on projects to promote the merchandising of savings bank services and expanded work in the field of thrifit education will be among the 1946 objectives of the Savings Division of the A.B.A., said President Myron F. Converse, who also is president, Worcester Five Cents Savings Bank, Worcester, Mass., following a conference of Division officers in New York on Nov. 16.

The Agenda

A wide range of subjects were discussed by Savings Division officers and committee chairmen. The topics included "Federal Legislation," by Earl B. Schwulst, chairman, Division's Committee on Federal Legislation and first vice-president, The Bowery Savings Bank, New York; "Investments," by J. Reed Morris, chairman, Committee on Investment and vice-president, Boston Five Cents Savings Bank; "Real Estate Mortgages," by H. R. Templeton, chairman, Committee on Real Estate Mortgages and vice-president, The Cleveland Trust Company.

Other Subjects

Also, "Savings Development," by L. A. Tobie, chairman, Committee on Savings Development and president, Meriden (Conn.) Savings Bank; "Thrift Education," by Fred F. Lawrence, chairman, Committee on Thrift Education and treasurer, Maine Savings Bank, Portland; and "Savings Management and Operations," by Fred F. Spellissy, Division vice-president and chairman, Committee on Savings Management and Operations and executive vice-president, Market Street National Bank, Philadelphia.

A savings and mortgage conference will be held in Boston on March 7-8, at Hotel Statler, according to President Converse.

The hundreds of banking institutions throughout the nation that have been our correspondents continuously for 10, 25, 50 years and more, know their accounts will continue to receive the same prompt service and personal attention in the future that have been characteristic of Central Hanover in the past.



**CENTRAL HANOVER
BANK AND TRUST COMPANY
NEW YORK**

Member Federal Deposit Insurance Corporation

A.B.A. Group Surveys GI's Financial Needs

10-Man Committee to Make Extensive Study

In a move to ensure the financial welfare of veterans, the Committee on Service for War Veterans of the American Bankers Association will make a survey of the veterans' economic and financial needs and of the credit facilities now available to them.

Chester R. Davis, vice-president and trust officer of the Chicago Title and Trust Company, and chairman of the committee, announced that a special 10-man subcommittee has been appointed to accomplish the survey which will be undertaken "with particular reference to situations prevailing in the smaller communities."

A first meeting of the subcommittee was held in Chicago, Nov. 15, 16 and 17, where the survey assignment was discussed and procedures determined.

Members of the new subcommittee include: J. C. Persons, president, First National Bank, Birmingham, Ala.; Walter B. Allen, vice-president, Continental Illinois National Bank & Trust Company, Chicago; Dunlap C. Clark, president, American National Bank, Kalamazoo, Mich.; David W. Fairleigh, vice-president, Lincoln Bank & Trust Company, Louisville, Ky.; Frank P. Powers, president, Kanabec State Bank, Mora, Minn.; Samuel C. Waugh, executive vice-president, First Trust Company, Lincoln, Neb.; H. A. Fischer, vice-president, Mutual National Bank, Chicago; Carl M. Flora, vice-president, First Wisconsin National Bank, Milwaukee; John N. Thomson, vice-president, Bank of Centerville, S. D.; Walter T. Robinson, president, Citizens State Bank, Donnellson, Ia.

Seasonal Bank Advertising

Two newspaper Christmas Club advertising campaigns have been made available to the banks by the A.B.A.'s Advertising Department.

Five direct mail promotion pieces, including three folders and two blotters, also have been produced by the department.

Brisk Demand for Association's New Manual Covering Direct Financing of Automobiles

Several thousand copies of "Direct Automobile Financing," published by the A.B.A. Consumer Credit Committee, have been requested by banks, reports Carl M. Flora, committee chairman and vice-president, First Wisconsin National Bank, Milwaukee.

The new manual explains principles of direct lending operations and gives in detail credit requirements and operating procedures used by banks in making automobile loans.

Mr. Flora says it should not be construed as a recommendation for any particular method of automobile financing.

"The Committee on Consumer Credit is prepared to cooperate fully with automobile trade associations and insurance agents' associations to the end that the public may be furnished bank credit for the purchase of automobiles at a reasonable cost and on an equitable basis. Both direct and indirect financing are important functions of a bank lending program."

Two Methods

The manual says automobile financing by banks may be originated under either direct or indirect methods.

"Under the direct method the bank transacts the business directly with the consumer and the transaction in effect is a simple collateral loan secured by an automobile. There are only two parties involved,—the borrower and the bank."

Under the indirect method, the automobile dealer originates the transaction and sells the paper to the bank. This method was explained in detail in a previously published manual, "Bank Automobile Financing—Dealer Plan."

Advantages of the direct method of financing are:

"1. The cost of financing to the purchaser may be lower because the rate is based upon the simple essentials of the transaction.

"2. The bank controls the business as its volume is divided among many individual borrowers.

"3. The bank establishes its own credit policy and may be as selective or as liberal as it chooses.

"4. The bank can directly

meet the credit needs of its depositors and of the community which it serves.

"While the direct method may have many other advantages, it also has some relative disadvantages which must be considered.

"1. It may take a longer time to build up a volume of loans.

"2. Some investment in advertising and promotional expense will be necessary.

"3. It may take a considerable amount of additional time to handle each transaction.

"4. A market must be found for repossessed automobiles."

Many Potential Customers

The manual points out that every automobile buyer who wants to finance the purchase of a car or who wants to borrow money on his present car is a potential customer for this type of bank credit service.

"It is reasonable to assume that the early postwar period may not yield a satisfactory volume of business on the direct method alone. However, over a long-range viewpoint, the direct method may become an important factor. By proper distribution of advertising material and of other forms of advertising, a bank can easily reach its own customers and the general public."

State Secretaries to Convene in St. Louis

Secretaries of the state bankers associations meet in St. Louis on Dec. 11 and 12.

Ray O. Brundage, new president of the State Association Section of the American Bankers Association, said in his notice of the meeting:

"Because so many state secretaries have requested our getting together, one of my first duties as president of the State Association Section is to announce our national meeting on Tuesday, Dec. 11, and Wednesday, Dec. 12 at the Jefferson Hotel, St. Louis, Mo. Timely and important subjects will be discussed."

Frank Keyser, secretary-emeritus of the Missouri Bankers Association, is in charge of arrangements.

Trust Meeting Feb. 4-6

The 27th annual Mid-Winter Trust Conference of the American Bankers Association will be held in New York at The Waldorf-Astoria, Feb. 4-6, 1946, James W. Allison, division president, and vice-president, Equitable Trust Company, Wilmington, Del., has announced.

The officers of the Trust Division are now working on the program which will be built around the role trust service may play in the postwar years of rapidly changing social and economic conditions.



J. H. Payne, Jr.

J. H. Payne, Jr., Joins Association Staff

John H. Payne, Jr., former secretary-treasurer of the Virginia Bankers Association, has joined the staff of the American Bankers Association.

Mr. Payne, who is an assistant to the executive manager, Dr. Harold Stonier, came from the United States Navy's quickie which he has served for three and a half years. Before becoming identified with the Virginia Bankers Association in January 1941, Mr. Payne for a year and a half was assistant secretary of the New York State Bankers Association. He was previously with the Washington Irving Trust Company at Tarrytown, N. Y.

He is a graduate of Colgate University where he received his A.B. degree in 1938, and did editorial work on the university's publications. Mr. Payne was commissioned as an ensign in May 1942. His three and a half years of naval service included participation in the Solomon Islands' campaigns.

I.B. Offers "Quickie" Textbook on Trusts

New Employees' Guide Offered to Chapters

A new "quickie" textbook, "Introduction to the Study of Trusts," has been produced by the national office of the American Institute of Banking and is now available to chapters and study groups.

Nine experienced trust men collaborated in preparing the material included in this book, under which Robert A. Wilson, trust officer of The Pennsylvania Company, Philadelphia, reviewed and arranged it for publication.

The primary purpose of the course is to give inexperienced employees a short orientation of from eight to ten weeks in the essential fundamentals of trust procedure. It will also give employees wishing to work toward pre-standard, standard and graduate certificates background information on which to build.

The text is written in simple language and the consensus of those who have examined it is that it will serve both as an excellent guide to new trust employees and as an invaluable handbook for employees in other banking departments wishing to familiarize themselves with fiduciary procedures.

This is the fifth "quickie" prepared by the A.I.B. since the beginning of the war and the third new text completed this Fall. The other Navy "quickie" courses were: "An Introduction to the Study of Ecom-Banking," "The Teller's Handbook," "The Bank Bookkeeper's Handbook," and "Bank Bookkeeping and Accounting." The Institute's new "Consumer Credit" textbook was published in August and "The Career of a Banker" was released late in November.

Month's Drive Brings 51 New A.B.A. Members

(Continued from page 66)

Kentucky: Farmers & Traders Bank, Campton; Bank of Mays Lick.

Michigan: Exchange Bank of W. W. Cooke & Co., Clayton.

Minnesota: Vesta State Bank.

Missouri: Bank of La Belle; State Bank of Risco.

Nebraska: Farmers & Merchants Bank, Axtell; Farmers State Bank; Grafton State Bank; Farmers State Bank, Plymouth; Farmers Bank, Prairie Home; First Security State Bank, Sutherland; Nebraska State Bank, Weeping Water; Nebraska State Bank, Western.

North Carolina: The State Industrial Bank, Thomasville.

Oregon: First State Bank, Elgin.

Pennsylvania: East Prospect State Bank.

South Carolina: Fort Hill Bank & Trust Company, Clemson; Pamplico Bank & Trust Company.

Tennessee: Dukedom Bank; Sullivan County Bank.

Texas: Alvord National Bank; First State Bank; First Bank of Chico; First State Bank, Texas City.

Washington: Guaranty National Bank of White Center, Seattle.

West Virginia: Huntington Trust & Savings Bank.

Alaska: First National Bank of Fairbanks.

Trust Investment Cases

A number of case studies in investment management, sufficiently varied to include the usual problems arising out of the administration of new trust accounts, are included in a recently completed report of the Committee on Trust Investments of the Trust Division. Donald C. Miller, vice-president, Harris Trust and Savings Bank, Chicago, is chairman of this committee.



H. B. McDowell

McDowell New Head of A.B.A. Research Council

Frank C. Rathje, president of the American Bankers Association, has appointed H. B. McDowell of Sharon, Pa., to the chairmanship of the Association's Research Council.

Mr. McDowell is president of the McDowell National Bank.

A.B.A. Staff Changes

(Continued from page 66)

In July 1945 from the post of mortgage analyst of the Worcester County Institution for Savings, Worcester, Mass., to assist Dr. Fisher in the Research in Mortgage and Real Estate Finance Department. Earlier this year, he was on loan to the A.B.A. from his Worcester bank to revise the American Institute of Banking textbook on "Home Mortgage Lending," which is now in publication.

Mr. Smith was graduated from the Worcester High School and attended Worcester Polytechnic Institute prior to joining the Worcester County Institution for Savings 20 years ago. He also is an alumnus of The Graduate School of Banking, having majored, as did Mr. Dunkerley, in savings management. In Worcester, Mr. Smith was active in A.I.B. chapter activities and served as instructor of its classes in "Fundamentals of Banking."

Federal Tax Law Study Prepared for Banks

A.B.A. Committee Aids With Accrual Schedule

"Know and Accrue Your Taxes," a study of Federal income tax legislation applicable to banks and trust companies, with a plan for periodical determination and accrual of tax liability on earnings and profits, has been sent to member banks by the Bank Management Commission of the A.B.A.

This study, made by a special committee headed by J. H. Kennedy, vice-president, The Philadelphia National Bank, Philadelphia, Pa., was prepared from an educational point of view to acquaint bankers with tax complications and technicalities, according to Commission Chairman, William A. McDonnell.

"It is streamlined as much as possible and at the same time reflects a full picture," said Mr. McDonnell.

The study points out that "the numerous provisions of the code dealing with the computation of net income and the many adjustments required in arriving at the different concepts of taxable net income necessarily make any tax accrual computation for banks and trust companies a somewhat complicated task."

Despite these complications the committee feels that "the need for determining Federal income tax liability periodically throughout the taxable year is of paramount importance in view of the present high tax rates," and suggests "that every institution, whether operating on an accrual or the cash basis, determine and make some provision for its Federal income tax liability periodically throughout the taxable year."

CONVENTIONS

American Bankers Association

Dec. 11-12 State Secretaries, Jefferson Hotel, St. Louis

1946

Feb. 4-6 Mid-Winter Trust Conference, Waldorf-Astoria Hotel, New York

Mar. 7-8 Eastern Savings and Mortgage Conference, Hotel Statler, Boston

June 11-14 American Institute of Banking, Cincinnati

State Associations

1946

Jan. 15-17 Missouri Bankers University Conference, Columbia
May 9-10 Oklahoma Bankers Association, Skirvin Hotel, Oklahoma City
May 9-11 New Jersey Bankers Association, Marlborough-Blenheim Hotel, Atlantic City
June 27-29 Michigan Bankers Association, Grand Hotel, Mackinac Island

THE VIEW FROM HERE

CHRISTMAS CLUB payments this year of \$550,000,000 to 7,600,000 members were 10 per cent ahead of 1944. Bank of America had the largest individual share—100,000 members receiving \$9,500,000. Bank of the Manhattan Company, New York, was second with 60,000 getting \$5,000,000.

Income groups under \$2,000 a year, normally placed in the "no-savings" category, have accumulated \$11 billion in savings from 1942 through 1945, according to official estimates. Income classes below \$5,000 have nearly \$59 billion.

A statement which may be regarded as a straw in the wind was made by the financial expert of the Swedish Foreign Office. Said Dag Hammarskjold: "If sterling declines in relation to the dollar, the Swedish krona would be more likely to follow the dollar. The krona is not tied to the pound."

"The foreign ministers wrangle and go home, the workers walk out, industry stands still, the people's sleep is troubled with nightmares of nuclear doom," but "Wall Street smiles and remembers that Americans have \$140,000,000,000 in the bank . . . that the bank may be vaporized and nature's collateral blown through the sky does not frighten the Street . . . American Quicksand was firm again yesterday."—From The New Yorker.

Resumption of trade in oriental ports such as Shanghai, Hongkong, Singapore awaits reopening of Allied banks. Both British and American bankers have arrived to take up where they left off nearly four years ago.

"If wages go down substantially, we face deflation, but if prices go up substantially we face inflation," President Truman told the Labor-Management Conference. "Under this definition, deflation is declining wages, but inflation is rising prices," commented Edward H. Collins, associate financial editor of the New York *Herald Tribune*.

November saw the resumption of limited trading in Belgian francs, the second "liberated" currency after the French franc to make its postwar debut.

The rate of settling canceled government commitments averaged \$1 billion a month for the quarter ended September 30 and cancellations are expected to reach \$4 billion a month before the year-end, reports Robert H. Hinckley, Director of Contract Settlement.

Treasury limitations of keeping war loan accounts at 30 per cent total deposits, while creating some inconvenience, are reported to have worked well in reducing undesirable features of Victory loan operations.

Resources of all commercial and savings banks were \$167,027,000,000 on June 30, a gain of 17 per cent over the June 30, 1944 figure.

Employers who seek too high prices and workers who seek too high wages may wreck their common enterprise, says a special report issued by the labor committee of the Twentieth Century Fund.

Anglo-American financial and economic arrangements are regarded here as the very cornerstone of world trade and of forthcoming commercial discussions of the United Nations Organization.

"The Federal debt mechanism forms a means of redistribution of wealth and income and experimentation with it has dangerous possibilities. Banks as the largest holders of government securities have a vital concern in the debt management program."—From analysis of the public debt by the Finance Department of the Chamber of Commerce of the United States.

Commenting on the recent reduction in interest from 1½ per cent to ⅓ of 1 per cent on British Treasury Deposit Receipts, the National City Bank of New York letter questions "whether penalizing the saver is exactly the best way of getting more people to save." Looking ahead to normalcy, it adds "lower rates will make the London market less attractive to foreign money."

Broad diversification can make term lending safe and profitable and thus credit groups can make much-needed and sound advances to small but growing organizations, Preston Delano, Comptroller of the Currency, told a regional meeting of the Robert Morris Associates.

Following introduction of the bill nationalizing the Bank of England, Belgium's Prime Minister Van Acker has come out publicly in favor of subjecting the Belgian National Bank to the same process.

"We are preparing now for what will undoubtedly be the greatest building boom in history," said Henry Obermeyer, assistant vice-president of Consolidated Edison Company of New York in a talk on "completed home" plan financing.

Within the scope of its enlarged public relations program, the New York Stock Exchange is planning a sound motion picture which, according to Emil Schram, president, "will have high entertainment value in addition to sound information about the Exchange."

Holland has established a government bank to finance businesses essential to recovery.

This is Southern California



Serving You in Southern California

is the

SECURITY-FIRST NATIONAL BANK

of Los Angeles

with resources of over \$1,500,000,000
and 120 offices and branches from Central
California to the Mexican border.

MEMBER FEDERAL RESERVE SYSTEM
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Head Office:

Sixth and Spring Streets • Los Angeles 14, California

Founded in 1875

The Last of the War Loans

AT THE time this is written the Victory Loan drive is almost over. Looking back upon the experiences of eight drives, there has been a record of steadily closer cooperation between the Treasury and the banks on this major financial undertaking of the war.

The Treasury's far-flung organization for selling bonds included a large number of bankers in key places. There were 28 bankers as chairmen of State War Finance committees and 30 bankers as directors of the Banking and Investment Divisions in various states. Also there were about 15,000 bankers working as county chairmen of War Finance committees. In addition, the American Bankers Association organization on War Bond drives included a banker chairman for each state and a chairman for each of the six state mutual bankers associations. The coordinating Committee on War Bond Drives consisted of 14 members in various parts of the country.

Throughout this entire group there existed a feeling of mutual helpfulness and respect which added greatly to the effectiveness of the work. Under the leadership of Secretary Vinson and Ted Gamble, together with Bob Coyne, the field director, and Stanley Prenosil who heads the Banking and Investment Division, the human machinery operated with extraordinary smoothness. For the banks, there was Tom Smith and Fred Hagemann of St. Louis and later, in the

administration of President Frank C. Rathje, Francis M. Knight and Fred Naber of Chicago managed the A.B.A. organization with great success.

Below are two excerpts of editorial material from the third and final issue of the *Victory Loan Campaigner*, which was published during the drive by the A.B.A. Committee on War Bond Drives. They touch on two very important phases of the work of the banks in the sale of War Bonds, cooperation and responsibility.

"When the history of World War II is written it will record an impressive story of cooperation between the Treasury Department and the banks in the fund raising campaigns.

DURING this historic era the banks came to know the War Finance Division of the Treasury Department as a group of intelligent, industrious and thoroughly competent citizens. Those bankers who had close contact with the War Finance Division today have an extremely high regard for its personnel. Time after time they have been impressed by the skill, energy and acumen which goes into the business of selling War Bonds to the public."

The second quotation is from a statement by former President Randolph Burgess, which was published in the *Campaigner*. Mr. Burgess, who was closely identified with the work of financing the war from the very beginning, said in part:

Men who have made substantial contributions to the success of the Treasury's War Loan drives—l. to r., Treasury Field Director Bob Coyne; Treasury Banking and Investment Division Head Stanley Prenosil; Treasury War Finance Division National Director Ted Gamble; and Banker Fred Naber



Chairman Francis M. Knight

"But we must not forget the obligation we have incurred. In these eight drives in which we have sold bonds to 85 million people, the United States Government which issues the bonds and we who sell the bonds, and are also citizens, have made a commitment to these bond buyers—a commitment for economic stability. We have incurred moral obligation that we shall follow policies which will not impair the value of these bonds. The true value of a bond is not the sum printed on its face; it is the amount of essential goods and services that sum will buy. A price inflation that doubled the cost of living would mean that all the bonds we have sold would buy only half as much food and clothing and housing and services. We and the Government have an obligation that this will not occur, for if it would be a fraud on the buyers of these bonds."

"In the war the Government bore the heaviest responsibility for avoiding inflation. Today, industry, finance, and labor share that responsibility. All of us must see that we honor the commitment we made when we sold seven War Loans and the commitment we are making today as we go out to sell the Victory Loan."

"Bankers have sold bonds as a patriotic service, but nevertheless we have been the gainers. We have gained a new understanding of public problems as we have worked as partners of the United States Treasury Department. We have become better acquainted with the people in our own communities. We have uncovered in our bank staffs an amazing reservoir of resourcefulness and ingenuity that we can use effectively to sell bank service. But, most of all, we have experienced the satisfaction of a supremely worth-while job well done."



PICTURE OF A MAN LOOKING FOR A

New plant location



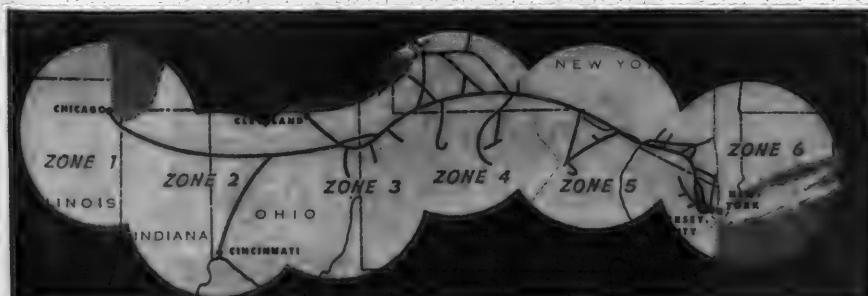
OF COURSE, few businessmen have time to take a fishing trip *these* days. But *a lot of fish* could be caught in the time many executives save by letting Erie Railroad help them with their plant location problems.

Erie has the facts you need . . . reliable, up-to-the-minute . . . on plant locations within the Erie Area. These facts are yours for the asking . . . all in complete confidence. They include data on manpower, markets, raw materials, taxes, insurance rates, trans-

portation, and other important information.

Somewhere within the Heart of Industrial America, with unexcelled markets, manpower, materials, and transportation, may be exactly the plant site you're seeking! For help in finding it, send an outline of your requirements to George F. Weston, Industrial Commissioner, Erie Railroad, Midland Building, Cleveland 15, Ohio.

Erie Railroad



Detailed map and description of the six zones of industrial opportunity within the Erie Area are yours for the asking.

OUTSIDE WALLS COVERED WITH
EXTERIOR TYPE DOUGLAS FIR PLYWOOD
are durable, rigid — attractive, too!

THIS BEAUTIFUL
MODERN SUBURBAN HOME
IS A PLEASING EXAMPLE
OF DOUGLAS FIR
PLYWOOD
DRI-BILT CONSTRUCTION

EXTERIOR TYPE Douglas fir plywood—made with completely waterproof synthetic resin binder for permanent outdoor use of all kinds—is an ideal material for the exterior of today's home. Used as flat panels it provides a smooth streamlined effect. A wide variety of siding treatment is possible through the use of battens, grooves, flush joints and mouldings. Applied over PLYSCORD sheathing it contributes to the strength and rigidity of the framing — eliminates the necessity for horizontal bracing. Additional data may be secured from Sweets File for Architects or by writing:

DOUGLAS FIR PLYWOOD ASSOCIATION
Tacoma 2, Washington



Dri-Bilt construction means dry-wall construction—the eliminating of plastering operations in house building. Dri-Bilt construction saves time and thus increases the turn-over of builders' invested capital.

EXT.-D.F.P.A.
TRADE MARK REG. U. S. PAT. OFF.



Exterior type plywood, easily identified by the "grade trademark" shown above, is made with completely waterproof synthetic resin binder. For outside siding 3/8" thick. Sound 1-Side grade of Exterior plywood is generally specified. Exterior type plywood (EXT-D.F.P.A.) should be specified for all permanent outdoor use and for interior use where moisture conditions are present.



SPECIFY DOUGLAS FIR PLYWOOD BY THESE "GRADE TRADE-MARKS"

Methods and Operations

JOHN J. McCANN

Correspondent Service

THE UNITED BANK AND TRUST COMPANY, St. Louis, takes a broad step in inter-bank relations by developing a comprehensive retirement plan, including group life insurance, for own employees, and as a special service extends the program on the basis to correspondent banks.

Under the plan life insurance is extended to all employees of the corre-



John W. Minton

dent bank, without any examination, regardless of their physical condition. The low cost is based temporarily on the average age of the UNITED BANK's employees, together with three other correspondent banks which entered in the original set-up.

Each year the insurance company will figure the entire group and pay a premium refund based on the group mortality, which according to expectations will result in extremely low cost

A-Bomb bank. Here are pictures of the bank facilities operated by the Hamilton National Bank of Knoxville, Tennessee, at Tennessee sites of atomic bomb works. Lower left, West Town; right, Oak Ridge. The two facilities, employing 35 people, served about 75,000 war workers at the height of operations. The facilities remain open on Thursday and Friday nights

protection. The enrolled correspondent banks will participate in the premium refund in the exact ratio to the amount of insurance in force on their respective employees. The present rate is \$10.39 per year per thousand of insurance.

Commenting on the program, President John W. Minton of the UNITED, states:

"We are volunteering the services of our bank to act as a clearinghouse for all correspondent banks which desire group insurance, and we will bear the entire cost of administration and accounting. We will handle applications for new employees, collect premiums, file claims, etc., at no cost to participating banks."

As a matter of policy, the UNITED pays the entire cost of group coverage for its own employees. Correspondent banks may do likewise, or pass on part of the cost to employees, but not exceeding \$7.20 per year per thousand.

Instalment Sales Procedures

A bank in the Middle West asks for information on technical procedure in handling loans to finance automobiles, farm and household equipment, and livestock.

"Should we," it asks, "use chattel mortgages, conditional sales agreements, trust receipts? How should our rates be computed? What about giving the dealer a reserve out of the financing charge? When should it be paid—at the time he sells you the note or contract, or after the borrower has paid out? Should anything be paid the dealer when he sells the paper without recourse?"

The Consumer Credit Department of the American Bankers Association answered as follows:

"The respective instruments used in connection with instalment sales financing depend largely on the local statutes of each particular state. Many banks have found the use of chattel mortgages or conditional sales contracts very helpful in the retail sales transactions; while some have used chattel mortgages and trust receipts when wholesale floor planning is undertaken. This, obviously, is entirely a bank policy matter and should conform to the statutory requirements.

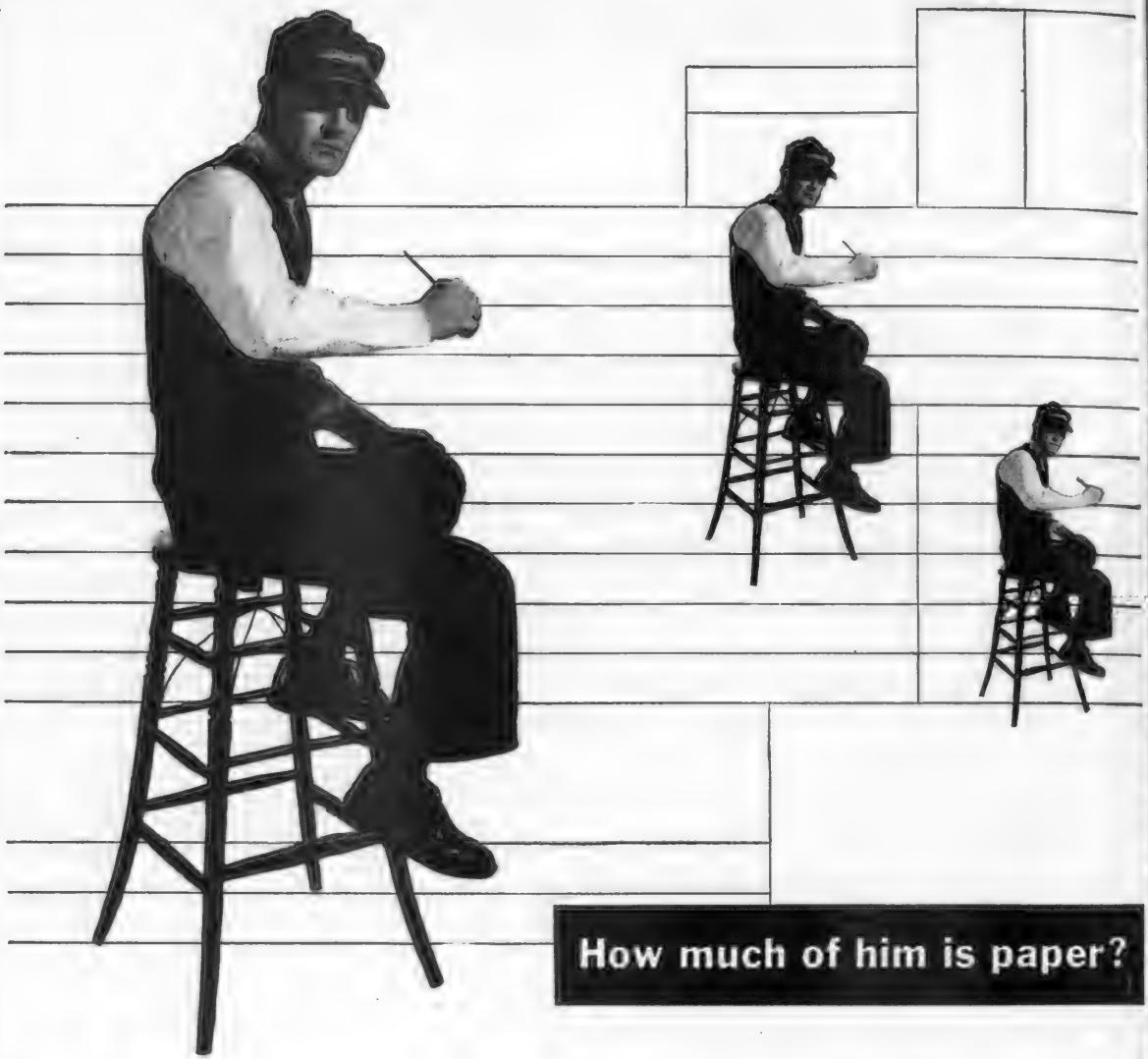
"The question of rates is one which has created considerable discussion in the past and depends largely on competitive conditions in the community. This, of course, would also determine the dealer participation in the finance charge, and in recent years the practice has been that the dealer is paid a certain percentage (1½-2 per cent) periodically when the accumulated reserve exceeds 5-10 per cent of the balances of the retail contracts purchased. This excess is distributed to the dealer provided there are no delinquencies exceeding 15 to 30 days.

"In order to clarify this technical question, we have sent you under separate cover our bank manual on home appliance financing which discusses this type of financing and explains the reserve distribution.

"Recent plans which have been announced in some communities provide for the dealer participation in the fi-

(CONTINUED ON PAGE 77)





How much of him is paper?

Take it by and large, for every \$100 you spend on clerical salaries, you spend \$10 on business forms.

Total, \$110.

Can that total figure be cut?

It can be cut to \$95, \$85, \$75—if forms are engineered to your business!

In one plant, Moore introduced forms that saved 81% of the typists' non-productive time. In another, a Moore record book proved to be 149% faster than loose forms.

The Moore Business Forms representative discovers how to combine forms, save paper stock, cut operating time. He makes specific recommendations for your business. Then Moore furnishes the forms—in lots of hundreds or many millions, for one store, or for far-scattered branches.

The ten companies listed below have long been under Moore ownership. Now they are combined under the Moore name—without change in

ownership, management, or policy. This is the largest company of its kind.

To keep production flowing, to unlimber new efficiency in your office force, perhaps to save thousands of dollars, get in touch with the nearest Moore Business Forms division, as listed below, or its local office. *Moore stands ready to supply you with everything from a simple sales book to the most intricate multiple form that your business requires.*

AMERICAN SALES BOOK CO., INC., NIAGARA FALLS; ELMIRA, N. Y.
PACIFIC MANIFOLDING BOOK CO., INC., EMERYVILLE; LOS ANGELES, CALIF.

GILMAN FANFOLD CORP., NIAGARA FALLS, N. Y.

COSBY-WIRTH MANIFOLD BOOK CO., MINNEAPOLIS, MINN.

MOORE RESEARCH & SERVICE CO., INC., NIAGARA FALLS, N. Y.

SOUTHERN BUSINESS SYSTEMS, INC., ORLANDO, FLA.

MOORE BUSINESS FORMS, INC. (New Southern Div.), DALLAS, TEX.; ATLANTA, GA.

In Canada—Moore Business Forms, Ltd., succeeding Burt Business Forms, Ltd., Toronto; Western Sales Book Co., Ltd., Winnipeg and Vancouver; National Sales Check Book Co., Ltd., Montreal

MOORE BUSINESS FORMS, INC.

ADV. BY H. G. AYER

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METHODS—Continued

charge even though the contract has been sold without recourse. This again would depend on competitive conditions as it is not a bank practice."

Credit Library

The Committee on Commercial Development of the NEW YORK STATE BANKERS ASSOCIATION, working with the regional office of the Committee for Economic Development, has designed a model "bank credit library," featuring a collection of literature which answers various credit problems.

The display, illustrated below, centers on the theme: "Plan Tomorrow's Money Needs Today." It suggests an effective presentation of booklets, folders, and mailing pieces which are readily available to all banks, through the A.B.A., the state association, agricultural college, CED, and other sources, including the bank's own special material. This plan of merchandising credit wares controls booklet distribution and builds a prospect list of those who ask for copies of the materials displayed, either by mail or in person.

Many banks have found that the use of racks or holders for promotion literature has certain marked disadvantages. The principal drawback is the question of who actually *takes* the material, which of course cancels out the possibility of follow-up selling. Often folders are scattered on customers' counters, at tellers' windows, tables and what-not which leaves it largely to chance whether the *right* piece reaches the *right* customer. On the other hand, a central display as suggested by this model sets up a regular procedure of distribution, and provides sales leads to work on.

The model unit, designed as a free-standing display, can also be adapted as a wall unit. It is six feet wide by four deep; the overall height including metal stand is seven feet. The five center pan-

Model bank credit library display



December 1945

els, each featuring information on a specific credit need are demountable, and may be changed to fit the bank's lending program, or revised as new material is released.

Copy under the panels of the model unit invites the prospect to make further inquiries of "Mr. Roberts" (who may be the loan officer or a member of the new business department) or by filling out a request card which will bring the material by mail.

One-Window Service

Reginald T. Cole, comptroller of the HOWARD NATIONAL BANK AND TRUST COMPANY, Burlington, Vermont, writes:

"We have just installed a new operating procedure in our tellers' department which may be of interest to your readers:

"Our deposit structure is approximately \$6.5 million in savings deposits and \$5.5 million in commercial deposits, exclusive of the War Loan account. We operate on a unit teller basis, with all tellers paying and receiving on both commercial and savings accounts. The ratio of activity on deposits on commercial accounts is about five to one over deposit and withdrawal activity on savings accounts.

"We have just equipped our entire
(CONTINUED ON PAGE 79)



Financing International Trade

Resumption of overseas trade stresses the importance of having an influential banking connection offering a world wide financial service.

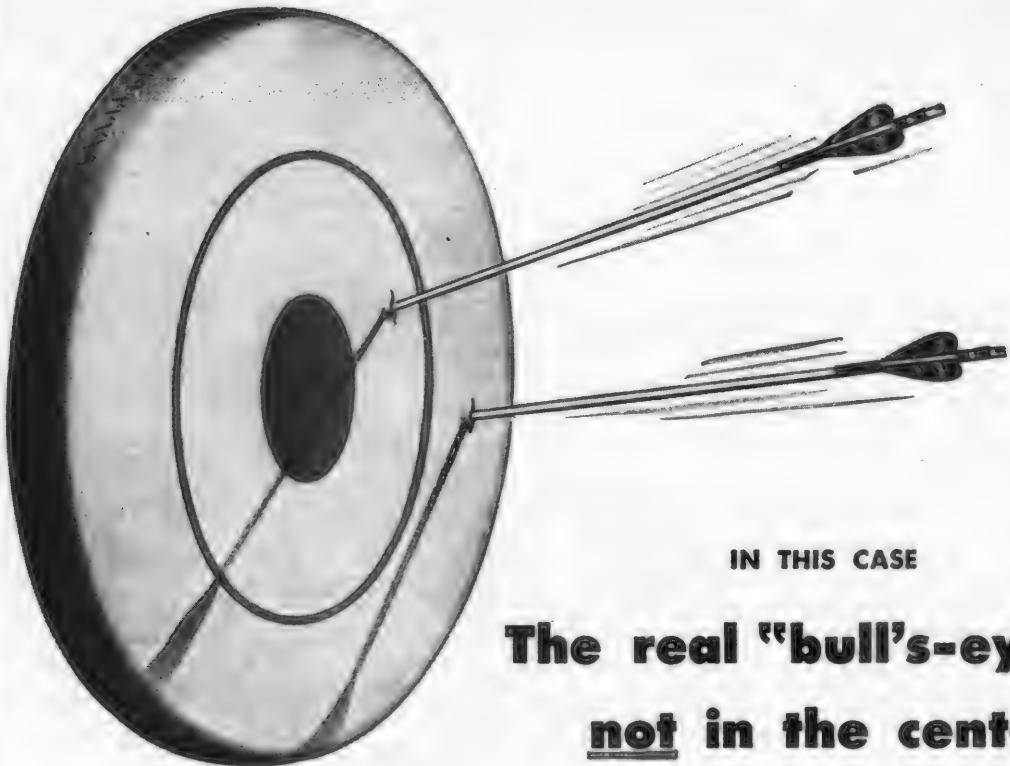
Through a network of banking contacts in foreign countries, and this bank's specially trained foreign banking department, we provide facilities of outstanding advantage to correspondent banks.

Your bank is cordially invited to make use of the good will developed through our eighty years of international business and banking experience with countries in this hemisphere and overseas.

FOREIGN BANKING DEPARTMENT

**The First National Bank
of Chicago**

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

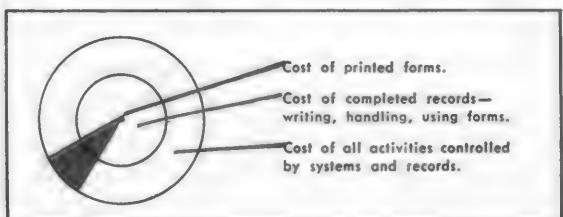


IN THIS CASE

The real "bull's-eye" is not in the center

Right now, top management is shooting at *major* cost savings—the kind that can strengthen the competitive position of a company, enable it to offer *more for less*.

That's why you'll find more and more executives setting their sights, not on inconsequential savings in the cost



of printed forms—but on the *broader circles* of savings that can be effected through scientific paperwork simplification. For today, they recognize that the cost of writing, handling, routing and filing forms adds up to from 10 to 50 times the cost of the forms, themselves.

More important, they realize that improved form design, writing methods and procedures put them on the *real* bull's-eye—*better management control*. Which can mean

five-and-six figure savings as well as *better* products and services, better dealer and customer relations.

Such Savings are Continuous

Savings effected through Standard's Kant-Slip Continuous Forms and systems (based on scientific analysis and proved paper-work simplification methods) are not just a "one shot." They *keep right on* saving for you. Standard makes *sure* of this. On every reorder of forms, Standard makes a thorough recheck of form design, writing methods and procedures. In addition, a regular periodic check is made of all mechanical equipment.

Let us show you how much **MORE** Standard methods can save for you, how much more Standard offers. See for yourself what *continuous paper-work simplification* can mean in better control at less cost.



THE STANDARD REGISTER COMPANY

Manufacturer of Record Systems of Control for Business and Industry

DAYTON 1, OHIO

Pacific Coast: Sunset McKee-Standard Register Sales Co., Oakland, California. Canada: R. L. Crain, Limited, Ottawa. London: W. H. Smith & Son, Ltd.

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METHODS—Continued

counter system with tellers' machines, running savings deposits and withdrawals the same as commercial deposits and checks cashed. General ledger tickets are also handled through the machines in the same manner. While the use of these machines is by no means new, this variation is something of a new technique, and we have found it very effective.

"This arrangement allows us to completely tie-in the cash received and paid out by each teller with our proof department, and of course it provides one-window service to all customers regardless of the type of account. There is no confusion or shifting of customers from one window to another.

"When introducing the use of these machines, we designed a window display featuring the new equipment and graphically demonstrating its effect on our operations. This helped win customer approval of the change in our system."

Economical Purchasing

Some time ago the STATE STREET TRUST COMPANY of Boston analyzed all operational forms and set up a system for efficient, economical purchasing. All forms were standardized for size (to cut from standard sheets with minimum waste) and proper weight of stock determined. Separate printing orders were placed for groups of forms on a particular type of paper, and "gang" runs were made by the printer at substantial reduction in cost.

Printing orders are placed, in most cases, only twice a year. A card sys-

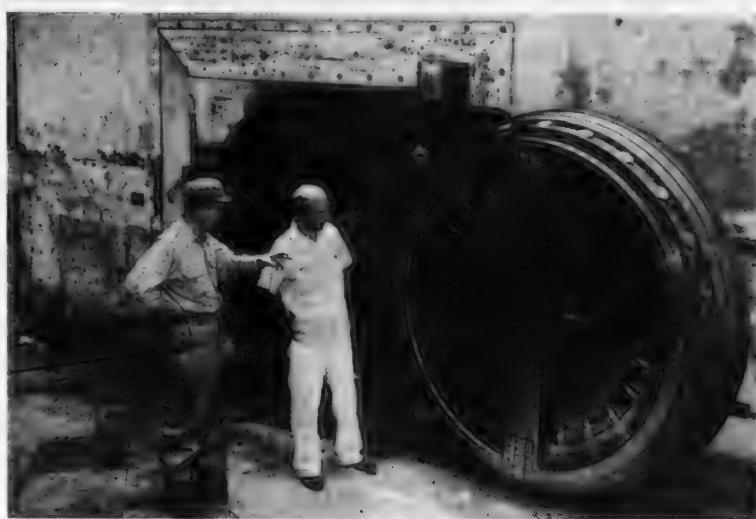
A 15-foot Victory Loan display in the lobby of Anglo California National Bank, San Francisco. The revolving globe is set with flags identifying the location of large numbers of American troops

tem is used in the supply room for inventory control, which is supplemented by punched cards arranged by departments and numerically punched with the form numbers and quality of stock used, together with a number representing this class of stock. The card is printed showing the maximum and minimum quantities and the amount on hand at any given time. Regular inventories are made from the supply cards semi-annually, and if the quantity represents less than six months' supply, the card is pulled for reorder. This system also covers letterheads, envelopes, carbon paper, typewriter ribbons and miscellaneous supplies.

The bank's tabulating department runs through the "reorder" cards and delivers the sorted batches to the purchasing department, which issues separate orders for "gang" runs to the printer. The plan eliminates inventory detail by use of conventional bank machines, keeps supplies at operating levels, saves on printing costs, and eliminates rush jobs.

Radio Response

Can radio sell trust services? A moot question, but here's a case of surprising response. Some 18 months ago, the FIRST TRUST & DEPOSIT COMPANY of Syracuse, New York, launched a local



YORK VAULT REMAINS INTACT

Bank of Philippines Building Demolished

When Yank troops re-entered Manila they found that the bombs, artillery shells and fire which had razed the building housing the Bank of the Philippine Islands, had no effect on the YORK VAULT which stood firm and unopened during more than two years of Japanese occupation and many bombardments. Pictured above are a U. S. Army officer (left), and an official of the Bank, who found the contents of the YORK VAULT intact after it had been opened by Army Engineers. Under most severe conditions, records and valuables necessary to the re-establishment of the Bank were fully protected by this YORK VAULT installed in 1923.

York craftsmanship made possible the story above—the same craftsmanship that was for over five years devoted almost 100% to the manufacture of guns, gun mounts, tank parts, fuses, shells and many other ordnance items for the U. S. Army and Navy.



To Friends, new and old, York is proud to relate the Impregnability of the York Vault in Manila—happy to announce the return to York quality bank vault equipment production, including bank vault doors, listings, safe deposit boxes, lockers, night depositories and related equipment.

Designers and Manufacturers of the World's Largest Vaults

YORK SAFE and LOCK COMPANY

YORK, PENNSYLVANIA

BRANCHES:
New York

Baltimore
Boston
Chicago

Cleveland
Detroit
Houston

Los Angeles
Miami
Montreal

New Haven
Philadelphia
Pittsburgh

St. Louis
San Francisco
Washington

radio program featuring Dean Spencer of the School of Journalism, Syracuse University. For more than a year, the bank president, Albert B. Merrill, appeared on the show with brief talks on banking subjects. On the last few programs prior to the wind up of the series, Mr. Merrill discussed trust services. To build up an audience, Dean Spencer wrote a letter asking his listeners to suggest subjects they wanted covered. More than 1,500 listeners responded. These suggestions became the basis of an interesting booklet, issued by the bank, titled "Let's Plan Ahead for Your Family." It includes some of the trust talks given on the air by Mr.

Merrill, and answers the various questions posed by the audience. It is also well illustrated with informal shots of the bank's trust department in action.

Gold Stamping

The FIRST NATIONAL BANK in Palm Beach, Florida, offers returning veterans attractive imitation leather wallets for discharge and other service papers, stamped in gold with name or initials, "while you wait." And the line forms at the right for many an appreciative GI. The bank intends using the machine later for personalizing individual check book covers, and perhaps later for stamping book matches.



Gold stamping wallets for veterans at First National Bank, Palm Beach, Florida

Cash Letter Policy

The CITIZENS STATE BANK of Park Ridge, Illinois, which has added the new cash letter policy to its insurance program to bridge a gap caused by exclusion from coverage of transit items while in custody of the mails or the express company, reports that this protection has resulted in the following benefits:

"(1) Elimination of considerable expense, inasmuch as it is no longer necessary to film or laboriously list in detail all of our transit items.

"(2) Cutting down of clerical help due to the present method of keeping only a tape listing of items in our cash letter.

"(3) Absolute assurance that we are covered in case of loss. Even keeping elaborate records gave us no guarantee of collection on lost items that were charged back."

"We were furnished concrete proof that the new method was workable," writes President Frank O. Potter, "when a short time ago our cash letter containing nearly \$100,000 was taken from an express truck. Our insurance representative and correspondent bank assisted us immediately in the reconstruction of the letter. We were able to get duplicates or charge back all but \$8,000, which consisted mostly of over the counter checks, which loss we recovered from our cash letter policy."

"It is well to keep in mind the following:

"Keep the sequence of items from the time they leave the cage until they are run off the machine, sent out for collection, and cleared.

"Remember that even elaborate records will not insure you against loss.

"Keep your deposit tickets a reasonable length of time.

"Contact tellers immediately for their memory record of checks cashed on day of loss.

"Ability to trace lost items never guarantees collection."



St. Louis... and the Chemical Industry

St. Louis is one of the nation's foremost centers for drugs, chemicals and allied products. It is the home of some of the leading companies engaged in the manufacture of industrial and pharmaceutical chemicals, and of the largest independent wholesale drug house in the world.

The strategic, central location of this city has been an important factor in the growth of this great industry, bringing it close to raw

material supplies and providing unexcelled transportation facilities for distribution to national and international markets.

Mercantile-Commerce is proud of its long association with this industry... another example of the way in which this bank has been able to cooperate constructively towards the growth of business in the great industrial area of St. Louis and the Southwest.

MERCANTILE
Bank and
ST. LOUIS I

- COMMERCE
Trust Company
MISSOURI

LOCUST-EIGHTH-ST-CHARLES

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

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Bankloan Plan

Some time ago the consumer credit department of the AMERICAN TRUST COMPANY of San Francisco developed a merchandising program for postwar business. Upon seeing this program in the blueprint stage, one of the bank's correspondents said, in effect, "That's just what I need for my bank."

That started the ball rolling. "Bankloan Plan" was adopted to identify the over-all program which embraces appliances, furniture, automobile, home improvement and real estate loans. The entire package of promotion literature, forms and procedure were set up and is being offered to all banks, on a printing cost basis, as a general contribution to the cause of consumer financing.

The original plan, from the dealer standpoint, includes: (1) A standard recourse plan for handling equipment financing; (2) a new non-recourse plan; and (3) a flooring plan for household appliances, furniture, etc. Literature outlining the three arrangements are available, but since many institutions may desire to vary this program, the AMERICAN TRUST has issued special "brief" covers in which the individual bank may insert its own program on mimeographed sheets for dealer distribution.

The "dealer kit" is the backbone of the Bankloan Plan because it simplifies the dealer's job in handling financing. Instead of loose contracts, separate application blanks and extra rate cards, the kit brings all these essential materials together in one convenient package. Each package contains a pad of 25 applications, a fly leaf cover of the pad carries the rate tables, and the folding cover contains a pocket for conditional sale forms. The unit folds down to brief case size and it is suggested copies be supplied to all dealer salesmen, particularly those making outside contact. A similar kit has been developed for mortgage and modernization loans.

Other merchandising materials and dealer helps include counter signs bearing the copyrighted emblem, window decals, price tickets, lobby cards and posters, introduction cards, statement literature, a series of small sales stickers, and a complete campaign of newspaper ad mats.

It would be impossible for a small bank with a limited volume of consumer credit business to duplicate this comprehensive sales financing plan, without excessive printing costs. However, under the AMERICAN TRUST COMPANY's program of sharing its literature and promotion materials, a

full set may be obtained by small institutions at a fraction of original costs. By accumulating and placing large quantity orders—each imprinted for the individual bank—the company can pass along the savings.

Garden Banking

To carry out its theme of garden banking, the FRANKLIN SQUARE NATIONAL BANK, Long Island, New York, has planted a garden on the balcony overlooking the main lobby. A white picket fence runs across the balcony, creating a background for ivy, potted flowering plants and other greens.

On the same theme, the bank has

landscaped one of the vacant lots adjoining the main bus stop in the community, and improved the property with an attractive shelter. This area will be maintained by the bank as a gesture of goodwill.

A new addition to the bank has necessitated moving the original "garden bank" to a new location. Plans are set to reopen this interesting innovation in the Spring, when it will be completely redecorated and landscaped, providing a playground for children and parking space for baby carriages, while mother takes care of her banking at an outdoor teller's window.

(CONTINUED ON PAGE 84)

POWER UNLIMITED



America's most tremendous hydro-electric developments center in the Pacific Northwest where one-fourth of the Nation's potential water power is stored. On the Columbia, Skagit, Spokane, Chelan and other rivers of Washington, has been harnessed the power of millions of horses—ready to turn the wheels of countless industries.

Serving the financial needs of this vast region is the Seattle-First National Bank with offices located across the State of Washington—ready to provide its facilities for those interested in this land of opportunity.

Resources over \$600,000,000

Member Federal Reserve
System



Member Federal Deposit
Insurance Corp.

SEATTLE-FIRST NATIONAL BANK

Main Office—Seattle
Spokane and Eastern Division—Spokane

To simplify operations

Get this new book...published for banks
...by Recordak



Success story: Recordak Photographic Systems of Transit . . . and Single Posting Bookkeeping . . . are now in use in more than 5000 leading U.S. banks.

...to cut costs...

It will show you the gains in efficiency and protection RECORDAK PHOTOGRAPHIC SYSTEMS make possible in bookkeeping, transit, and other banking operations

Improving bookkeeping operations

If you're thinking of modernizing your bookkeeping system . . . of getting away from time- and labor-consuming dual posting methods, as so many banks are doing . . . you'll want this book. It shows what you gain by changing over to the efficient, economical RECORDAK PHOTOGRAPHIC PLAN OF SINGLE POSTING. Gains like these . . .

You'll post only once a day. You'll lighten up the load of purely routine work bookkeepers are carrying; make them that much more available for other important duties. You'll cut equipment, stationery, file-space needs to a minimum. And, protection-wise, you'll put your bank in the safest possible position . . . with your complete records filed on *tamper-proof, substitution-proof, extraction-proof Recordak microfilm*.

Modernizing transit systems

This is another thing this book will do for you . . . encourage you to modernize your transit operations. For it will show you the advantages of



handling transit the streamlined Recordak way. Advantages like these . . .

With the RECORDAK TRANSIT SYSTEM, you reduce the multiple descriptions ordinarily required to a single listing. You lessen the chance of error. You handle about six times as many checks per hour. You make a big saving in transit costs. You have the satisfaction of knowing you can always produce Recordak facsimiles of any check lost, stolen, or destroyed in transit.

Bringing other departments up-to-date

This instructive new book, "In Bank . . . After Bank . . . After Bank," will also show you the benefits of using Recordak in other departments besides Bookkeeping and Transit . . . Savings, Safe Deposit, Bond, Trust, Mortgage, etc. Write for it today—it is free. Recordak Corporation, Subsidiary of Eastman Kodak Company, 350 Madison Avenue, New York 17, N. Y.

—FREE—JUST MAIL THIS COUPON—

Recordak Corporation
350 Madison Avenue, New York 17, N. Y.

Please send me your new book—
"In Bank . . . After Bank . . . After Bank"

Name _____

Bank _____

Street _____

City _____ State _____

RECORDAK

(Subsidiary of Eastman Kodak Company)

originator of modern microfilming
—and its uses in banking systems

METHODS—Continued

PERSONAL HISTORY

Employment:	Position:
Employer.....		
Address.....		
Employer's business.....		
Name and title of superior.....		
Number of years with present employer.....		
Profession or business.....		
Address.....		
No. of years experience.....		
Life Insurance:		
Amount in force \$		Dependents:
Cash Surrender value		Number
Less loans on policies		Ages
Net value of policies		Applicant's age
Financial:		
Total resources \$		Full name of wife or husband
Total liabilities		Annual income \$
Net worth		Annual charges
What bank do you use		Net income

Signatures: _____

Mortgagors

Mortgage Application

Actively promoting mortgage loans under New Jersey's liberalized regulations for savings banks (80 per cent of appraised value), the PROVIDENT INSTITUTION FOR SAVINGS of Jersey City makes a special point of character and standing of the prospective mortgagor which is stressed in advertising and on the actual application form. Illustrated at left is the personal history required of the applicant.

Tell Your Friends

Numerous surveys have proven that the greatest source of new business is the word or recommendation of friends. On that fact, CALIFORNIA BANK of Los Angeles issues an attractive little folder to special checking account customers inviting them to list the names of friends whom they think would be interested in the same service. Space is provided for a listing of five prospective names, and the name of the customer. Prospects receive descriptive literature by mail; a "thank you" note is addressed to the customer suggesting the list.

Completed Homes

Predicting the building of 90,000 one- and two-family houses in New York City and Westchester County by 1954, CONSOLIDATED EDISON COMPANY of New York recently announced a post-war program to make these structures "completed homes"—that is, buildings initially equipped with all modern conveniences of living, the whole sold as a living unit. The plan embraces the features of sound construction, adequate space, adequate wiring and quality operating equipment to be included in the realty mortgage.

The program has been presented at a series of meetings to banks, savings banks, savings and loan associations, architects, builders and contractors and other groups in the area. On the financial end, the company seeks to enlist the cooperation of lending institutions in support of the so-called "package mortgage" plan, and to finance new electrical and other appliances on a consumer credit basis. Modernization loans, with particular emphasis on electrical conveniences is also part of the plan.

The presentation is attractively developed in a large illustrated brochure which has been distributed among lending institutions in the New York area.

(CONTINUED ON PAGE 86)

At Versailles, Louis XV turned Salesman ...



... For the Porcelain with his Royal Initials

Founded in 1745, the "Manufacture Royale de Porcelaine de France" was a company boasting a monarch as Proprietor . . . and a trademark bearing the royal initials. Their priceless porcelain called "Sevres", in which Louis XV so delighted, was eagerly sought by all the crowned heads of Europe.

Because we zealously guard the quality and leadership of

EAGLE-A ACCEPTANCE BOND

we watermark every sheet with the famous Eagle-A trademark. This mark is a symbol of first quality in 50% cotton content bond paper and our assurance of a modern business letter paper of fine appearance, durability and long life.

Specify Eagle-A Acceptance Bond to your Printer, Lithographer or Engraver.

Ask your stationer for

EAGLE-A ACCEPTANCE BOND BOXED TYPEWRITER PAPER



EAGLE-A PAPERS

AMERICAN WRITING PAPER CORPORATION • HOLYOKE MASSACHUSETTS

**CONTINENTAL ILLINOIS
NATIONAL BANK
AND TRUST COMPANY
OF CHICAGO**

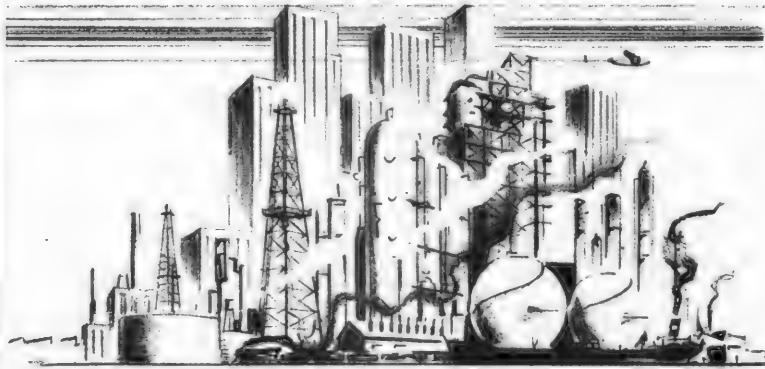
COMMERCIAL BANKING
CORPORATE AND PERSONAL TRUST SERVICES
FOREIGN BANKING FACILITIES
**UNITED STATES GOVERNMENT AND
MUNICIPAL SECURITIES**
SAVINGS DEPARTMENT

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



General Jimmy Doolittle stopped at the Marine Trust Company, Buffalo, after a Victory Loan parade to wish President Charles H. Dieendorf success in the bank's bond campaign

LOOK AT HOUSTON . . .



Third PORT OF AMERICA

METROPOLITAN HOUSTON . . . first in the South in population, in retail sales and in industrial development . . . is now entering the postwar era of even greater growth and industrial expansion and world trade.

A valuable asset to the industrial Southwest and an important factor in the growth of Houston is her great deepwater port . . . third largest in America in 1941, the last year official cargo tonnage figures were released. The largest freight carriers operating in international trade can, and do, steam into the Port of Houston to discharge cargo and take on freight.

Ocean-borne commerce, however, is

only one of the many important industries which assure Houston's continued growth and dominance as the industrial and maritime metropolis of the Gulf Southwest.

☆ ☆ ☆

The Second National Bank of Houston is proud to have a part in the industrial progress and growth of this great city. Banks and finance officers are invited to correspond with this bank for detailed information regarding any of the major lines of business in the Houston area. We also invite inquiries of banks which may be seeking a Houston correspondent.

**THE SECOND NATIONAL BANK
OF HOUSTON**

MEMBER OF THE FEDERAL
DEPOSIT INSURANCE CORP.

LOCATED IN THE
CENTER OF HOUSTON

A.I.B. for Service People

One hundred and twelve employees of the MANUFACTURERS TRUST COMPANY of New York in military service are now taking American Institute of Banking correspondence courses at the expense of the bank. Enrolments include employees serving in Europe, India, the Pacific, and the United States.

These correspondence courses are an initial step in the bank's program of training to aid the returning veteran in bridging the gap caused by prolonged absence from banking activities. It is hoped that participation in the A.I.B. courses will act not only as a refresher but also as a means of bringing the veterans up to date on developments and changes in banking practice.

The bank is undertaking to pay for all regular courses in the A.I.B.'s four-year program subscribed to by its employees in military service.

Bank Gives Legion Membership

As soon as the American Legion opened its membership to men still in service, the FIRST NATIONAL BANK of Bryan, Texas, took out memberships in the local post for its three employees in service. President Travis B. Bryan wrote the servicemen a letter stating that the bank had made application and paid dues for 1946 in their names, and that membership cards should reach them soon, with the bank's compliments.

Mr. Bryan was one of the founders of the Earl Graham Post after the last war. In his letter to the servicemen he told them of the founding of the post, the importance of the American Legion in the community and country, and why he thought they would always want to belong to the organization. He also told of the bank's part in war activities, and its desire to serve returning veterans.

The letter was placed in the local newspaper as a bank advertisement.

Small Business

THE RHODE ISLAND HOSPITAL NATIONAL BANK (Pawtucket-Providence-Woonsocket) has issued a booklet of reprints on its recent newsad campaign, themed "How Smaller Businesses Are Helped by Bank Credit." The series is arranged in a sequence which makes easy reading, covering the whole scope of small business loans with case history illustrations. Footnotes in color point out the special functions of small business credit. The booklet was mailed to accounts and prospects in the bank's trade area.

OBLIGATION

Our War Bond dollars helped
to make victory possible.

It is now our obligation to
bring our armed forces home,
care for our wounded, maintain
our occupation troops, provide
veteran rehabilitation, care for
the dependents of those who
made the supreme sacrifice.

BUY VICTORY BONDS

INTERNATIONAL BUSINESS MACHINES CORPORATION

A Home Worth Having

(CONTINUED FROM PAGE 62)

The committee invited Richard Bennett, professor of architecture and design at Yale, to be the moderator, introduce the speakers, handle the question-answer periods, make announcements and dismiss the audience. It was agreed to limit each session to an hour and a half, the first three-quarters of an hour being taken by the speaker, while the second was devoted to the questions submitted in writing by the audience. Oral questions were ruled out because it was felt that many people couldn't speak loudly enough to be heard in the large auditorium, that others are too fond of making speeches themselves, and that still others would hesitate to ask questions.

TEXTS of talks must be delivered to the committee two weeks in advance. This procedure is required in order that Professor Bennett can familiarize himself with the contents so that he can do the talking in case the speaker can't come, and so that controversial "bugs" can be eliminated. A transcript is made of each address, as well as the questions and answers following it, and the complete report is then printed and distributed at the Institute's next meeting.

The first session was on September 10 in Bridgeport's beautiful Klein Memorial Auditorium, which seats 1,500 persons. It was an afternoon meeting, and 191 people attended. That night the program was repeated, and the hall was jammed. Two days later the Institute had heard from 3,842 prospective home builders who wanted to attend the lectures.

The plan of two meetings each fortnight was followed for a couple of months, but the afternoon sessions were subsequently dropped and attention is now being concentrated on the night gatherings.

SPEAKERS have included Dr. Ernest M. Fisher, then director of the Department of Research in Real Estate Finance, American Bankers Association, who spoke on "Financing the Home"; Donald T. Pomeroy, president of the Pomeroy Organization of Syracuse, New York; Thomas S. Holden, president of F. W. Dodge Corporation; George Nelson, architect and head of the *Fortune-Forum* architectural department; and Norman Mason, president of the National Retail Lumber Dealers Association, who spoke at the meeting BANKING attended.

When home planners arrive at an Institute meeting they receive printed copies of the transcript of the previous session



Among the subjects on the agenda are "Choosing a Homesite," "Designing the Home," "Selecting the Architect and Contractor," "Selecting Your Building Material and Dealer," "Electric Wiring and Lighting," "Heating, Air Conditioning and Insulation," "Kitchen and Laundry Planning," "New Home Features and Appliances," "Plumbing and Bathroom Planning," "Interior Finishes and Decorations," "Interior Furnishings," "Landscaping, Driveways and Outdoor Living," "Remodeling and Modernization," and a final "Review."

The Bridgeport Institute was well-timed.

"Of course we didn't know when the war would end," says Director Christie, "but as things turned out we could hardly have started more opportunely. By the time the course is finished—and

there are no plans for continuing it beyond the conclusion of our 15th semi-monthly session—we hope that new building will be under way and that the members will be seeing their plans realized.

"Yes, we've been fortunate, but we did some hard work on our plans, too, and we like to think our success is deserved. After all, when 800 people turn out on a cold, wet night it looks as though they were sincerely convinced that 'A Home Worth Having Is a Home Worth Planning.'"

Building Costs

HOME financing institutions are urged by FHA Commissioner Raymond Foley to accept the dual responsibility of discouraging inflation and encouraging new housing for low and middle-income groups.

In an address at the national convention of the Mortgage Bankers Association of America, in New York, Mr. Foley told the bankers they faced "a testing period of the utmost significance" to themselves and the nation.

"You lenders have an active part to play in housing," he said, "not just a passive one. An easy, over-liberal lending policy encourages unnecessary costs. They will persist if you as lenders or we as insurers support them. With your builder clients you can do a great deal toward development of greater efficiency, toward arousing interest in the middle market—families whose income is from \$1,200 to \$2,500—in both sale and rental properties. You can profitably turn your own and your builder clients' attention toward the minority group field."

Former Secretary and Mrs. Cordell Hull read the news that he is the winner of the Nobel Peace Prize for 1945



HARRIS & EWING



"Fighting the Flames"

An American Tragedy In One Careless Act

CAST OF CHARACTERS:

FIRE CHIEF

COMMENTATOR

CARELESSNESS

FIRE CHIEF: We are losing ground—fire is gaining! Every year, it seems, there are more fires and worse fires—more lives lost and greater property damage. Something has to be done!

COMMENTATOR: You're right—fire is gaining. In the year ending June 30, 1945, \$442,877,000 fire damage was reported. That's 10% over the preceding year and 33% increase over the losses two years ago.

FIRE CHIEF: Carelessness is at the root of this—that's the menace we must face.

CARELESSNESS: Yes, and what a menace! The flick of a lighted cigarette, a pile of oily waste—and there I am starting another fire. I'm everywhere and wherever I am, I work. That's why I, Carelessness, am the chief cause of fires!

COMMENTATOR: True, true—Carelessness is far and away the biggest known cause of fires. Figures show that this menace alone accounts for almost all serious fires.

FIRE CHIEF: But Carelessness can be fought and licked!

COMMENTATOR: Yes, but only through constant effort. For when people are reminded to be careful, fires fall off. That's our job!

(Curtain)

Epilogue:

THE HOME INSURANCE COMPANY:

The best time to fight a fire is before it starts—join the campaign against Carelessness!

(Asbestos)

★ THE HOME ★
Insurance Company
NEW YORK

FIRE • AUTOMOBILE • MARINE

Finances in Liberated Countries

The Hague
THE financial problems of the military upon entering a liberated country are varied. Perhaps the most important from the Army's standpoint is to get enough local currency to pay the troops. For this purpose exchange rates must be set, and new bills provided and decreed legal tender.

Sometimes measures must be improvised. For example, when the allies entered the Netherlands, they used Belgian and French francs, since there was no time to change the currency at the border. This required informing the inhabitants of the fact, advising them of

the rate of exchange, and later calling in the franc notes and replacing them with the Netherlands currency, printed for this purpose in the United States and Canada. Those special notes, obligations of the Netherlands Government, were at this writing about to be called in, along with all other current notes in the country, to be exchanged for new notes printed in England as part of the Government's purification program. Under that program the note circulation will be drastically reduced by the forced deposit of all paper money in the banks.

When the order for the circulation in the Netherlands of the Belgian and

French franc currency was canceled, the exchange of that money for Netherlands currency was carried out through the banks. The latter had to satisfy themselves that persons offering franc currency had come by it legitimately.

Another big financial job of the liberating Army was to try to keep the troops from remitting home illicit gains acquired through the sale of rations and canteen supplies. This task has been shared by the military and the local government. For example, during the first week of the currency purification the armies paid the troops as little as possible—to prevent their selling new notes in the black market—and accepted from the troops for conversion into the new notes only limited amounts of the latter. The British, for example, undertook to accept the soldier's total drawings of the preceding eight weeks. The American Army agreed to limit conversions to the net of one month's pay and allowances, plus 10 per cent.

CIVIL Affairs supply accounting is another financial task of a liberating army. Records must be kept of supplies given by, as well as those received by, the Army. This involves such matters as billets, fuel, fresh vegetables, and the like, supplied by the local government.

Army Civil Affairs officers also have to keep an eye on the local financial situation, to see that civilian unrest such as might impede the work of the military is avoided.

Whereas in a conquered country the military governs, in a liberated country it deals with the local authorities. Thus, Civil Affairs is in a liberated country the counterpart of military government in a conquered country. In the Netherlands its work fell into two phases: The conduct phase, during actual liberation, and the second phase, once the country became for the Army a zone of communications. At this writing Civil Affairs in Holland is in the wind-up stage.

H. M. B.



An illustration of financial illiteracy—the young woman who said the bank had sent back all the checks she used to pay bills with last month and so she hadn't spent a cent.

By next year we suppose American highways will again be filled with tourists and detourists.



The wise farmer of today isn't standing idly by waiting for what the future may bring . . . He knows that prosperity for himself and his family will come only with sound, careful planning and good management of his farm.

His plan of good management includes the use of modern power machinery, such as Minneapolis-Moline Tractors and farm machines, to help him keep his soil in good condition and harvest bigger crops at less cost on time. MM machines enable him to increase the capacity of his land with new, improved methods and to produce new crops with greater profits.

Local bankers, cooperating with the MM Machinery Dealer in their community, can do much to make new, modern machinery available to the farmers in their area, thereby benefiting the community as a whole.

**MINNEAPOLIS-MOLINE
POWER IMPLEMENT COMPANY**



Few Ignore This Warning

Traffic Signals are essential to the orderly movement of traffic and the prevention of accidents. Practically everyone recognizes that and accepts it. Even though there were no violation of the law involved, the public as a whole would still be extremely careful about driving through a red light. While there is no law which states that

checks must be on safety paper, the need for this product and the wisdom of its use have been clearly demonstrated. » » Leading banks and business men throughout the nation have long looked upon LA MONTE Safety Paper as the most effective and dependable form of protection against check alteration and counterfeiting.

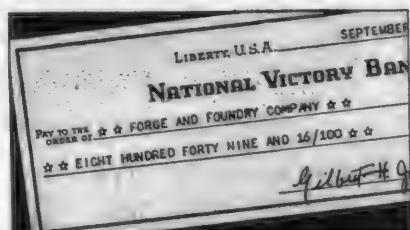
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LA MONTE *Safety* PAPER
GEORGE LAMONTE & SON NUTLEY, NEW JERSEY



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We supply many banks and business organizations with their own INDIVIDUALLY IDENTIFIED Safety Paper. The issuing organization's Trade-Mark is in the paper itself and appears on both the front and back of the check. Such INDIVIDUALIZED paper not only protects against fraudulent alteration but provides maximum protection against counterfeiting—saves Banks sorting time—helps prevent errors.



Home Equipment Credit Plans

(CONTINUED FROM PAGE 45)

Banks are willing and able to take care of their time sales dealers, and dealers who cooperate fully will find the banks equally cooperative so that maximum mutual benefits will result. Some bad practices have been indulged in by short-sighted, unscrupulous dealers, but fortunately these are in the minority and their practices are short-lived. A bank will not condone an unsound operation, a fact which will be quickly recognized in the procedure that a bank will adopt. Banks realize the value of their appliance dealer customers and will do everything possible to cultivate this relationship.

Group Service

Other recent developments will play an important role in the appliance business and should be of interest to every manufacturer, distributor, and dealer. These include plans that have been made by two groups of banks throughout the country to handle home appliance financing through their designated banks and their many correspondents. One of these groups, on the West Coast,

will cover 11 states or more; the other, which will attempt to cover the rest of the country, will have its headquarters in either Chicago or New York. Information received to date indicates that manufacturers are more than interested in these two developments. These groups appear to be a healthy improvement for banks and will certainly give banking a program with which to impress local goods manufacturers. In both groups

experienced signatory banks are leading the way and will educate their correspondents and other banks in the "know how" of this business.

Regardless of the kind of development that takes place in the consumer credit field, independent banks (not members of a financing group) with satisfactory dealer plans will continue to get their share of the business. When a manufacturer wants a nationwide credit mechanism to take care of distributors and dealers, nothing can quite compare with the banking system and its 15,000 outlets.



President Truman buys the first Victory Loan bond from Secretary of the Treasury Vinson



STOP DAYLIGHT HOLDUPS WITH FEDERAL TEAR GAS

After World War I, daylight holdups of banks increased steadily until 1932 when these crimes of violence reached an appalling figure. Not only were tremendous losses in money and securities involved, but many bank officers, employees and customers were killed, wounded or seriously injured.

Accepted authorities predict a "wave of violent crimes

against banks," following World War 2. Recent successful bank holdups indicate the warnings issued were justified. Federal Tear Gas Protection Systems stopped daylight holdup attacks in thirty-four cases. The Federal Tear Gas Protection System protects, not only money, but lives of customers as well as bank officials and employees. Evidence on this serious subject will be mailed upon request.



BEFORE DISCHARGE OF FEDERAL TEAR GAS



AFTER DISCHARGE—COMPLETE COVERAGE

Write for Descriptive Literature on How Federal Tear Gas Can Protect Your Bank Against Daylight Holdups — No Obligation.



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Heard Along Main Street

Bankers in Europe

IN traveling about liberated Europe one comes across various American bankers here in the military service or in other capacities. Among visitors to The Hague in the past few weeks have been **WINTHROP W. ALDRICH** and **SHEPARD MORGAN** of the Chase National Bank of New York, reportedly for discussion of Holland's financial needs.

A former American banker now in the service in the Netherlands is Major **JOHN A. BECKER**, who heads the general finance subsection of the USFET (United States Forces European Theatre) mission to the Netherlands. Major BECKER was with the First Trust Company of Albany, New York, from 1929 to 1943, when he gave up his post as vice-president and director to enter the Army. He was chief finance man in the AMG in Sicily, and before coming to the Netherlands worked with the Netherlands Government in London on financial planning. Since the liberation of the country, Major BECKER has been carrying out the orders of the Supreme Commander as they bear on the relationship between the military and civilians in financial matters.

Working with him, Major **W. A. TEN EICK**, another banker, has been in charge of the currency section of USFET's mission here. Major TEN EICK for 18 years was connected with the Equitable Trust Company and later in trust investments department of the Chase National Bank of New York. In 1935-36 he was president of the New York chapter of the American Institute of Banking, and has been generally active in national A.I.B. committee work. He is a graduate of The Graduate School of Banking, class of 1941.

Major TEN EICK entered the Army in 1942, spent a year with the Air Corps, and was then transferred to Civil Affairs. Since then he has been in England, Normandy, Belgium and now the Netherlands. He has been working with the Dutch Government to prepare for the "purification" of the currency. This refers to the calling in of the old note issue, so greatly inflated during the German occupation, and its replacement by new notes in smaller amount.

Another banker encountered with the American mission here is Colonel **FRED N. INSINGER**, chief OWI man in the Hague and press attaché of the American Embassy. From 1913 to 1916, Colo-

The California Bank chorus of 35 voices, directed by Glenn L. Pearce, has presented programs at several veterans' hospitals in the San Fernando Valley. Members of the chorus, many of whom have sung professionally for years, are selected from the bank's staff of more than 1,200



nel INSINGER was credit manager of the Spokane and Eastern Trust Company, Spokane, Washington. He left the bank to go to Mexico with the Pershing expedition, and later served in the Army during World War I. From 1921 to 1924 he was again with the bank in Spokane. From 1926 to 1932 INSINGER was executive vice-president of the Continental Bank and Trust Company, New York, and from 1934 to 1937 economic advisor to the Bank of America in San Francisco. When in New York, INSINGER was chairman of the legislative committee of the New York Clearing House Association.

H. M. BRATTER

Banker Aids AMG

Major **FRANK R. EYRE**, formerly a field representative with the Syracuse (New York) Trust Company, is Deputy Military Government Officer of the Neukoelln District in the United States sector of Berlin, responsible for the enforcement of policies of the Allied Military Government and for the direction of methods followed by local district

officials in maintaining various public services within the area, such as public health, economics, labor, welfare, legal and finance functions in the civil administration.

Major EYRE received the Purple Heart while serving as Military Government Officer of Landkreis Dessau-Koethen, Germany. He also holds battle participation stars for contributing to the Normandy, Northern France, RhineLand, Ardennes and Central European campaigns. He crossed the Remagen Bridge with the 99th Division during the first push over the Rhine River into Germany.

Colonel Peacock Cited

Lieutenant Colonel **EDWARD P. PEACOCK**, vice-president on leave of the Bank of Clarksdale, Mississippi, has received the Air Medal for operational flights with the 31st Infantry Division in the Philippine Island theater in a light, unarmed plane and using inadequate and improvised landing strips while locating concentrations and determining movements of enemy troops.

The colonel recently effected the surrender of thousands of Jap troops on Mindanao, having participated in the surrender negotiations for the first large group of Japs in the Philippines.

Home From the War

Major **JERROLD OWEN** has been appointed director of public relations for Central Bank of Oakland, California. He has a long career in newspaper, mag-
(CONTINUED ON PAGE 96)

Major Eyre



YOUR BUSINESS



WANT MORE *Business?*

More business is simply a matter of meeting more people more often. When you can get to your destination quicker, you go more frequently, or stay longer, or both.

The result? More business.

This is true wherever your business may be situated. Braniff's proposal for a coordinated airline system in the Western Hemisphere will bring sources of business closer. It will mean more business, will aid full employment and prosperity throughout the Americas.

BRANIFF AIRWAYS



MAIN STREET—Continued

azine and publishing work. In World War I he rose to the rank of first lieutenant and during World War II he served through five campaigns in France as a military government officer. He was the only detachment commander among 77 military government teams under the First U. S. Army to receive the Croix de Guerre with Silver Star for his service in France.

Colonel MURRAY HANSON, of Cleveland, Ohio, has been appointed general counsel of the Investment Bankers



Major Owen

Colonel Hanson

Association of America. Colonel HANSON is a former member of the law firm of Baker, Hostetler & Patterson, Cleveland, and more recently of the legal staff of the National Association of Securities Dealers. He was commissioned a first



World-Wide Contacts for Foreign Trade

- Through its network of correspondent banks in other countries, our Foreign Banking Department keeps closely informed of trade developments in international affairs.

This intimate knowledge of present day conditions, coupled with long experience in foreign banking methods, provides our correspondents with unexcelled facilities for expediting foreign transactions for their customers.

Excellent Foreign Banking Service is one reason why more than 300 banks choose this bank as their correspondent.

THE NATIONAL CITY BANK — OF CLEVELAND —

A National Bank with an International Business

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East Sixth

lieutenant in the U. S. Army in 1942 and was assigned to legislative and congressional investigative work for the Air Forces, later serving as assistant executive officer to the Assistant Secretary of War for Air.

Lieutenant Colonel MACK H. HORNBEAK has returned to the Louisiana National Bank of Baton Rouge as vice-president and a member of the board of directors after an absence of three and a half years with the Armed Forces. Colonel HORNBEAK was an assistant vice-president and director when he entered the service.

With the 45th Infantry Division and later with the Eighth Army Corps, he fought in most of the major campaigns in the European Theater of Operations from the Sicilian invasion through to the fall of Berlin. He holds the Legion of Merit medal, the Bronze Star with Oak Leaf Cluster, the ETO campaign ribbon with eight battle stars, the bronze invasion arrowhead, and the Croix de Guerre with palm.

Lieutenant Commander MELVIN F. LANPHAR, USNR, after more than three years with the Navy, has resumed his post as president and treasurer of Melvin F. Lanphar and Company, mortgage Bankers, Detroit, Michigan. After several months with the Bureau of Naval Personnel in Washington, Commander LANPHAR was assigned to temporary additional duty aboard YMS-3, a minesweeper operating in the Atlantic.

Later he was assigned to the Industrial Incentive Division in the Ninth Naval District and served on the staff of Vice Admiral Arthur S. Carpender. The Industrial Incentive Division received two commendations from the Secretary of the Navy for its work in increasing production, cutting absenteeism, and improving morale in the war plants and shipyards producing for the Navy.

Lieutenant Colonel HAROLD H. KAUFMAN has rejoined the Manufacturers Trust Company of New York as an administrative vice-president, after a 37-month leave with the Army Air Forces, serving overseas during the Tunisian, Naples, Foggia, Rome and Arno campaigns. While overseas he was in turn commanding officer of a group servicing heavy bombers and fighter escorts, assistant chief of staff of the 15th Air Force Service Command, and commanding officer of an Advanced Air Force Depot. At the time of Colonel KAUFMAN's separation from service he was assigned to the executive office of

(CONTINUED ON PAGE 98)

SAFE DEPOSITORY LIABILITY INSURANCE

You Get

\$50,000

Protection against Liability imposed by law:

- 1 — Mysterious Disappearance**
- 2 — Negligence or dishonesty of employees**
- 3 — Burglary, Robbery, Theft**
- 4 — Fraudulent, fictitious and erroneous claims**
- 5 — Flood, tornado or other acts of Nature**
- 6 — Misplacement of box in wrong compartment**
- 7 — Improper or illegal entry by means of duplicate key or forged papers**

PLUS Legal defense in connection therewith

THE COST is only \$75, one year—\$187.50, three years

provided the total number of safe deposit boxes does not exceed 937. A small additional premium is made for banks having more than this number of boxes.

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80 Maiden Lane, New York 8, N. Y.

Gentlemen: We desire to purchase a Safe Depository Liability Policy
In amount of \$..... Term..... No. of Boxes.....
on premises

Name.....

Address.....

Name of Your Insurance Agent or Broker.....

MAIN STREET—Continued

the Chief of Readjustment Division, Headquarters Air Technical Service Command, Wright Field, Dayton, Ohio.

Captain MILTON K. REVILL, USNR,

has returned to his post of vice-president of the Union Planters National Bank & Trust Company, of Memphis, Tennessee, after two and a half years of foreign service in the Mediterranean theater setting up Naval bases in the wake of landings on Sicily and in Italy,

after brief service in North Africa. Then, as a U. S. naval observer with the British, he helped set up bases at Salerno, Naples and other points in Italy. Later he took part in the establishment of American Naval bases at Toulon and Marseilles in Southern France. For his service in Sicily, Captain REVILL was awarded the Bronze Star and for his service in Southern France was given a supplementary Gold Star. He also holds the Order of the Crown of Italy and is a honorary private first class in the French Foreign Legion.

Lieutenant ROBERT C. BAKER, USNR, has been named vice-president of the Columbia National Bank of Washington, D. C. Lieutenant BAKER left the Manufacturers Trust Company of New York in 1935 to accept the appointment of vice-president of the Central National Bank in Richmond, Virginia, from which post he resigned to accept his new appointment. During most of the war period Lieutenant BAKER was attached to the Bureau of Naval Personnel and was primarily occupied with the negotiations of contracts for training activities throughout the country.



Colonel ROBERT C. DOWNIE has assumed the active presidency of the Peoples-Pittsburgh Trust Company, Pittsburgh, Pennsylvania, to which post he was elected in January 1944 while serving with the U. S. Army. Colonel DOWNIE was relieved as district chief of the Pittsburgh Ordnance District after more than five years of service.

At 40 years of age the colonel is the youngest man in the country to head a major bank, the Peoples-Pittsburgh being among the first 100 in the United States in resources.

Corporal ROBERT BAILEY, son of C. W. BAILEY, president, First National Bank of Clarksville, Tennessee, and vice-president, American Bankers Association, was awarded the Purple Heart for wounds received in action; the Bronze Star Medal for heroic achievement "during the attack against hostile fortifications near Saarbrücken, Germany"; and the Silver Star Medal for gallantry "during the final attack on Saarbrücken." Corporal BAILEY also holds the Good Conduct Medal, the Combat Infantryman's Badge, and 16 awards for expert marksmanship.

(CONTINUED ON PAGE 100)

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- Durability
- Speed

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THE greatest perforator design improvement in 30 years brings you new operating ease and speed, allows the canceling of more checks in a given time than is possible with any other foot operated check canceler. Precision control, trouble-free operation, maximum performance, minimum maintenance costs . . . benefits your bank, your employees and your customers. Sales and service in all principal cities. Ask your American Perforator distributor for a demonstration or write to:



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DURING the war the development of Canada's natural resources has gone forward rapidly. Plan now for profitable post-war trading with the Dominion.

With ample resources and over a century of banking experience, this Bank is in a position to be helpful with your Canadian problems.

Enquiries are cordially invited.

General Office - Toronto, Canada

The BANK of NOVA SCOTIA

Over a Century of Banking Experience



"AS YOU GO THROUGH THIS BOOK, MR. MANUFACTURER, you will see plenty of evidence that you will be in good company in Metropolitan Oakland Area."

170 nationally-known manufacturers

and distributors have branches here. Hundreds of regional firms also have profited through the many advantages of this central location.

"It's An Amazing NEW West" tells why.

If you are thinking of decentralizing, of opening a western factory, this 48-page book will give you basic information about the remarkable changes that have taken place in the many important factors that contribute to make Metropolitan Oakland Area "The NATURAL Industrial Center of the NEW West."

Now is the time to

profit by the huge increase in the markets of the West . . . California alone has gained nearly 2,000,000 high-income citizens since 1940.

Now is the time to profit through employing some of the hundreds of thousands of skilled and semi-skilled workers who are responsible for this Area's war production records.

Now is the time to profit through our superior advantages for export-import trade with the Orient, Australia, New Zealand and South America.

Now is the time to learn the facts about the West and Metropolitan Oakland Area . . .

Write for *"It's An Amazing NEW West"*

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MAIN STREET—Continued

When released from the Army he will resume his position with the First National Bank of Clarksville.

Lieutenant Colonel TAZEWEll F. THOMPSON, after five years of active service with the United States Army, has resumed his position as cashier of the Norfolk office of The Morris Plan Bank of Virginia.

GEORGE H. C. GREEN became active vice-president of the Liberty National Bank of Oklahoma City in July. Mr.

GREEN has served for two and a half years as regional executive manager of the U. S. Treasury War Finance Committee for the western Oklahoma district.

Have You Heard?

F. L. SAWYER, president of the Centerville National Bank & Trust Company, and of the Sawyer Savings Bank, Seymour, has been elected president of the Iowa Bankers Association.



HARRIS & EWING

Oveta Culp Hobby, a director of the Cleburne (Texas) National Bank and former colonel in the United States Army and directress of the Women's Army Corps, wore the smartest in women's civvies when calling at the White House recently

United Bank and Trust Company, St. Louis, has elected JOHN W. MINTON as president and CARROLL F. BURTON as vice-president of the bank. Both Mr. MINTON and Mr. BURTON have been vice-presidents of the National Stock Yards National Bank, National Stock Yards, Illinois, for a number of years.

Mr. MINTON, who succeeds EDWARD T. MURRAY as president of the United Bank and Trust Company, is known to bankers throughout the Middle West. He is regional vice-president of the American Bankers Association for Missouri and Illinois and during his two terms has made an outstanding record.

PAUL E. NEUSCHAEFER, vice-president of Union Bank and Trust Company of Los Angeles, has been elected to the board of directors.

JOEL E. FERRIS has announced his retirement as executive vice-president of the Seattle-First National Bank and manager of the Spokane and Eastern division. His successor is W. M. MARSHALL, vice-president.

Personnel changes at the Fidelity Trust Company of Pittsburgh include EUGENE MURRAY, for 11 years president, made chairman of the board; ALEXANDER P. REED, elected president; WILLIAM G. BOGGS, vice-president and treasurer; PHILIP K. HERR and JOHN A. BYERLY, vice-presidents.

(CONTINUED ON PAGE 103)



Mr. Murray

Mr. Reed



BANKING

For Complete
Correspondent Service
in Atlanta

FULTON

The
Fulton National Bank
of Atlanta

ATLANTA • GEORGIA

MEMBER OF THE FEDERAL DEPOSIT INSURANCE CORP.

To Represent You

We are ready and able to act as the representative of your bank in Massachusetts in connection with ancillary administration or other estate matters.

TRUST DEPARTMENT

The National Shawmut Bank

40 Water Street, Boston

Member Federal Deposit Insurance Corporation

CAPITAL \$10,000,000 SURPLUS \$20,000,000
"Outstanding Strength" for 109 Years

Increase
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Commercial Letters of Credit can increase your bank's Earnings

Increasing numbers of our correspondent banks open, through us, Letters of Credit for their clients to finance international and domestic shipments. This business is desirable from the point of view of earnings and the fact that it affords added opportunity to serve clients.

You do not need to maintain a foreign department. We furnish the facilities and arrange the essential details. Our forms and procedures are as simple as possible

and require a minimum of detail work on your part.

Our Foreign Department has been an important factor for many years in this field. Manufacturers Trust Company Letters of Credit are advised through our several thousand correspondent banks abroad and are well known in all parts of the world.

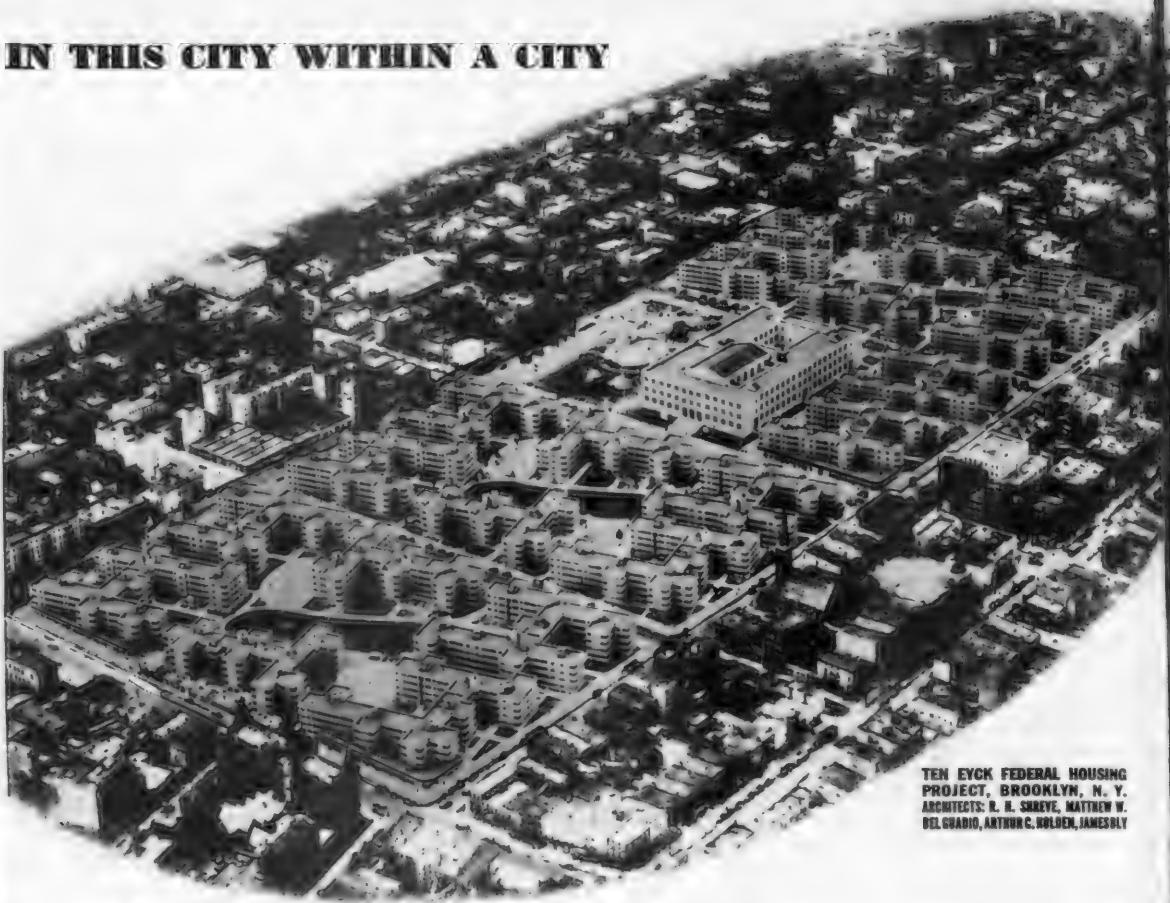
Banks having opportunities to develop Letters of Credit business are cordially invited to write for explanatory data and specimen forms.

MANUFACTURERS TRUST COMPANY

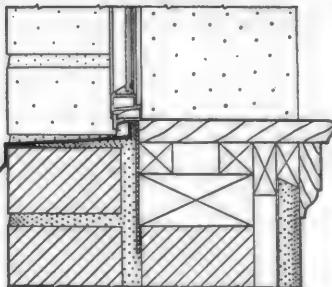
55 Broad Street, New York 15, N. Y.

Member Federal Deposit Insurance Corporation

IN THIS CITY WITHIN A CITY



TEN EYCK FEDERAL HOUSING
PROJECT, BROOKLYN, N. Y.
ARCHITECTS: R. H. SHAW, MATTHEW W.
DEL GUADIO, ARTHUR C. HOLDEN, JAMES BLY



TYPE "A" ALUMINUM SILL
One of many standard Alcoa sills

every window has an Alcoa Aluminum Sill

Easy to install, neat in appearance, low on upkeep—good reasons for using Alcoa Aluminum window sill on this and many other projects before the war. Convincing arguments for continuing their use as they again become available.

Their light weight makes handling easy. One man can set Alcoa sills. Sections are thin, permitting sills to be extended into the masonry, making tight joints. Aluminum needs no protective painting to safeguard it against the weather.

As aluminum is released for civilian uses, sills will again be stocked in convenient warehouses around the country. Plan on including Alcoa Aluminum sills in the residences and buildings you are now planning. Send for your copy of the booklet "Sills and Copings of Alcoa Aluminum". ALUMINUM COMPANY OF AMERICA, 1821 Gulf Building, Pittsburgh 19, Pennsylvania.

Section Number	A	B	C	D	E	F	Wt. Per Foot
18053	3 $\frac{1}{2}$	3	1 $\frac{1}{2}$	1 $\frac{1}{2}$	2	2	.692
18054	4	3 $\frac{1}{2}$	1 $\frac{1}{2}$	1 $\frac{1}{2}$	2	2	.768
16754	4 $\frac{1}{2}$	4	1 $\frac{1}{2}$	1 $\frac{1}{2}$	2	2	.844
18971	5	4 $\frac{1}{2}$	1 $\frac{1}{2}$	1 $\frac{1}{2}$	2	2	.919
18055	5 $\frac{1}{2}$	5	1 $\frac{1}{2}$	1 $\frac{1}{2}$	2	2	.992
18972	6	5 $\frac{1}{2}$	1 $\frac{1}{2}$	1 $\frac{1}{2}$	2	2	1.067

ALCOA ALUMINUM



BANKING

MAIN STREET—Continued

At the annual meeting of the Cleveland Chapter, Robert Morris Association, HAROLD A. WOOD, manager of the credit department of The Cleveland Trust Company was elected president. Other officers are: vice-president, E. J. RANKLE, Central National Bank; secretary, W. T. McWADE, Union Bank of Commerce; treasurer, WILLIAM J. MUNLEY, National City Bank.

THOMAS C. BOUSHALL, president of the Morris Plan Bank of Virginia, has been appointed to the executive committee of the Chamber of Commerce of the United States.

Dr. HOWARD R. BOWEN, who had been deputy director of the Smaller War Plants Corporation, has been made economist of the Irving Trust Company, New York City. He is a former professor of economics at the University of Iowa.

NAT C. GREEN has been promoted vice-president of Bank of America, and will continue to be in charge of the ante-Textile branch, Los Angeles, where he has been manager for the past three years.

MURRAY SHIELDS has been elected a vice-president of the Bank of the Manhattan Company, New York, and will be economist for the bank. Mr. SHIELDS has been on the economics staff of several business organizations, and was most recently economist of the Irving Trust Company, New York.

ROBERT C. TAIT has been appointed assistant vice-president in the commercial banking department of The Union Trust Company of Pittsburgh. Mr. TAIT was formerly first vice-president of the Genesee Valley Trust Company, Rochester, New York, and has served as a member of several committees of the New York State Bankers Association and the A.B.A.

CLIFFORD L. POTTER, formerly of the Marine Trust Company of Buffalo, New York, has joined the investment staff of Union Trust Company, Pittsburgh.

Mr. Tait



Mr. Potter



Mr. Sullivan



Mr. Bottomley

LEWIS A. LAPHAM, executive director of the Pacific American Steamship Association, and CHARLES PAGE, vice-president of Johnson & Higgins of California, have been elected to the board of the Crocker First National Bank of San Francisco. J. F. SULLIVAN, JR., has been named first vice-president and A. R. ANGELL has been promoted from assistant cashier to assistant vice-president

in charge of the foreign department. FRANK F. HANINGTON was promoted to assistant cashier.

JAY E. BOTTOMLEY has been appointed a vice-president of the Guaranty Trust Company of New York. He will continue to be identified with the banking department district that embraces the bank's business in the states of Ohio, Pennsylvania, and West Virginia.

C. RODGERS BURGIN, president of the Quincy Savings Bank, is the new president of the Savings Banks Association of Massachusetts.

CHARLES A. GORMAN, management counsel, has recently been elected a trustee of the Fulton Savings Bank, Brooklyn, New York.

PREPAYMENT OFFER

to holders of

PACIFIC GAS AND ELECTRIC COMPANY FIRST AND REFUNDING MORTGAGE BONDS OF SERIES I (3½%) DUE JUNE 1, 1966

\$49,000,000 principal amount of the above described bonds, drawn by lot, of a total of \$49,927,000 principal amount issued and outstanding, have been called for redemption on January 1, 1946.

Holders and registered owners of called bonds desiring to receive immediate payment of the full redemption price (including premium and accrued interest to January 1, 1946) may do so upon presentation and surrender of such bonds at the office of City Bank Farmers Trust Company, 22 William Street, New York, or at the office of Pacific Gas and Electric Company, 245 Market Street, San Francisco, or at the office of American Trust Company, 464 California Street, San Francisco. Coupons for interest due December 1, 1945, or prior thereto, if presented with the bonds, will be paid at the same time.

Attention is directed to the fact that not all outstanding Series I 3½% Bonds have been called for redemption. A list showing the serial numbers of the bonds called may be obtained on request at any of the offices above noted.

PACIFIC GAS AND ELECTRIC COMPANY
By RAYMOND KINDIG, Secretary



INVESTORS STOCK FUND, INC.

Prospectus on request from Principal Underwriter

INVESTORS SYNDICATE

MINNEAPOLIS, MINNESOTA

OTIS Dispatching FOR IMPROVED ELEVATOR SERVICE



Dispatching Panel: Indicates position and direction of travel of the car and the location of waiting passengers.

Otis Elevator dispatching methods and equipment can help correct congested elevator traffic conditions.

This scientific system of elevator operation and dispatching provides the highest quality and maximum quantity of service for a given number of elevators.

Otis dispatching is your assurance that every car is doing an equal share—that the flow of traffic is evenly distributed over the entire plant.

So, when it comes to new elevator installations or getting more work from your present equipment, investigate the possibilities offered by Otis dispatching equipment.

Your Otis representative is ready now to help you and your Architect plan the correct type of dispatching system best suited to your needs. For the finest in vertical transportation tomorrow, call your Otis representative TODAY.



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October

North of the Border

THIS is the season when most Canadian banks close their fiscal years and publish their annual balance sheets. While banking laws require publication only once a year in a few newspapers, all of these institutions take up space in the press to show their year-end positions in practically every newspaper where they have branch representation. The largest banks publish their financial statements in leading papers and financial journals throughout Canada, as well as at some American centers. Accompanying these statements are explanatory news articles showing the major changes in assets, liabilities and profits.

MONTHLY press releases are, however, issued by the Department of Finance, Ottawa, showing the combined commercial banking position, made up from statements submitted to the Department by each institution. Thus month-to-month changes are discernible. In fact, the position of each bank can be seen in the Department's statement, available to anyone for a small subscription fee. However, the banks' own annual statements attract the most attention (indeed, more attention than much data elsewhere) for they reflect the country's financial and commercial transactions over a 12-month period, a time when the public is interested in economic stocktaking.

Most of the bank statements appearing this year will show considerable temporary changes due to the Victory Loan campaign in October and November. Subscriptions to this Loan will be close to, if not actually up to, the maximum objective, \$2 billion. A quite large volume of individual savings and commercial surplus deposit balances will have been invested in Victory Bonds, with a corresponding transference of public funds to the accounts carried by the Dominion Government with the banks. Before long, of course, there will be a reverse movement, as the Government spends these funds and they turn into public channels and eventually find their way back to the banks as private moneys. For the time being, however, public deposits are reduced below, and the Government's cash balances raised above, normal levels.

A more natural analysis of the Canadian banking position would be prior to October. As the accompanying table

Combined Statement of Canada's Commercial Banks

	(\$ million)	September 30	September 30	September 30
Deposits—Demand.....	1939	1944	1945	
—Notice.....	763	1,974	2,092	
—Outside Canada.....	1,692	2,464	2,935	
Notes of Bank of Canada.....	490	673	721	
Deposits with Bank of Canada.....	54	112	130	
Deposits with Bank of Canada.....	221	455	443	
Government and other securities.....	1,502	3,450	3,960	
Call loans in Canada.....	51	56	109	
Call loans elsewhere.....	52	114	118	
Current loans in Canada.....	891	939	969	
Current loans elsewhere.....	148	115	128	
Total liabilities.....	3,584	6,018	6,610	
Total assets.....	3,605	6,043	6,640	

shows, total commercial bank assets on September 30 were \$6,640 million. Three of the 10 institutions show assets of over \$1 billion. Total assets were 84 per cent higher than in September 1939, when Canada went to war with Germany. This increase, as well as that last year, of about \$600 million, is mainly because of larger security portfolios, which consist almost entirely of Dominion, Provincial and Municipal obligations, the greater part being short-term issues. The holdings of Dominion Government issues do not constitute more than one-fifth of the Federal authority's total debt. Probably not much over half of the wartime increase, nearly \$2½ billion, is direct borrowing

from the banks by the Dominion Government, and some reduction will be made from the new Victory Loan receipts.

The Government has sought to meet most of its financial requirements during the war by floating public loans and by taxation and has confined its direct borrowings from the banks to one and two year loans, certificates of indebtedness and Treasury bills. But the net amount of these transactions does not represent more than 10 per cent of all the money raised for war purposes by the Government. The banks, however, have purchased bonds (many of these being Victory Bonds) liquidated by the public.

Current loans failed to show in September of this year the customary seasonal rise because of the smaller crop financing required for a new food supply which is the lightest in some years, and also because of the improved liquid position of business, reflected in the growth of demand (largely commercial) deposits with the banks. These deposits are nearly treble those in September 1939. Notice (savings) deposits made a record gain in the past year. Demand and notice deposits combined of slightly over \$5 billion are double those of 1939 and at an all-time high level.

Less work is devolving upon Canadian banks as business activity recedes from the wartime peak. Not only are there smaller crop movements to finance but, also, there is less industrial business and smaller payrolls to handle. Industrial activity has declined 20 per cent since V-J Day and payrolls 15 per cent. The physical strain of bank work is also easing as a quite large number of their

(CONTINUED ON PAGE 107)

Prime Minister Mackenzie King of Canada leaving the *Queen Mary* in New York. Later he went to Washington for his conference with President Truman and Prime Minister Attlee



INTERNATIONAL

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THIS ELECTRICAL YARDSTICK

25 YEARS ——————

20 YEARS ——————

15 YEARS ——————

10 YEARS ——————

5 YEARS ——————



To avoid early obsolescence in homes you finance, they should have wiring that provides for a rapidly expanding number of electrical servants.

Just see how the list is growing! Greater See-ability through better lighting . . . home freezers . . . dishwashers . . . automatic clothes washers . . . electric clothes dryers . . . Precipitron air cleaners . . . air-conditioners . . . Sterilamps . . . television. These are some of the developments in electrical equipment that will soon put the stamp of obsolescence on houses not wired for them. Tomorrow the list will be longer.

Be sure the houses you finance meet tomorrow's electrical yardstick: (1) Sufficient circuits and outlets; (2) wire of ample size; (3) modern circuit protection and (4) wiring devices and workmanship of highest quality.

For literature, or other information, contact your nearest Westinghouse distributor or district office or write to the Westinghouse Electric Corporation, P. O. Box 1017, Pittsburgh 30, Pennsylvania.

J-91526

This 60-page book, Electrical Living in 194X (Professional Edition) — illustrates how homes should be wired. The Manual of Better Home Wiring summarizes wiring specifications. A free copy of these sent on request. For technical information, the new Home Wiring Handbook provides the most comprehensive information ever produced. Price: \$1.00 per copy.



Westinghouse
PLANTS IN 25 CITIES . . .
OFFICES EVERYWHERE

BETTER HOMES DEPARTMENT

BANKING

North of the Border

(CONTINUED FROM PAGE 105)

male employees return from military service.

CANADA's newest banking venture, The Industrial Development Bank, will soon close its first year of existence with a good record. Established as a subsidiary of the Bank of Canada (the central bank) to provide capital for small and medium-size business which would not have access to the public security market, this new institution has already approved over 100 loans aggregating about \$3 million, a fair proportion of its paid-up capital, \$10 million. Not much more than one-third of this amount has been availed of because of labor and material shortages which have held back new plant expansion. But new industrial construction and equipment are developing quite rapidly and the bank's operations are certain to be accelerated.

The social credit banking experiment in the Province of Alberta is proving to be a costly one. Without constitutional authority to issue currency to implement its monetary schemes the Social Credit Administration of that province had to obtain a general banking charter from the Dominion Government, which alone can grant such authority. Alarmed in its efforts in this direction, the Alberta government set up a banking system of its own, opening a number of so-called "treasury branches" empowered to accept deposits and make loans, but of course unable to issue currency. In its six years of operations this system has lost more than \$2 million, a heavy deficit on a small volume of business and a loss of course that falls on the Alberta public.

Thousands of shoppers in Oakland, California, stopped in the Central Bank last December to hear the bank's choir sing Christmas music.



Just before Christmas—1944—guests and staff of the Land Title Bank and Trust Company, Philadelphia, sang carols in the bank lobby



Understanding Institutional Requirements

We offer to institutions the results of years of experience in helping to meet the special requirements of this type of investor.

Because of our nationwide facilities and knowledge of comparable security values and markets, our Institutional Department is utilized by many organizations in all parts of the country.

We cordially invite you to take advantage of these services.

MERRILL LYNCH, PIERCE, FENNER & BEANE

*Underwriters and Distributors of Investment Securities
Brokers in Securities and Commodities*

70 PINE STREET

NEW YORK 5, N. Y.

Offices in 87 Cities

OUR 48th Y E A R



Successful TRUST PROMOTION

"Last night I called at a prospect's home for a conference with him, and his wife. After some conversation, she produced our booklet, said it was splendid and that we evidently anticipated all of a woman's questions and knew all of the answers.

"Both wills are now being prepared by their attorney, naming our institution."



Trust advertising that makes personal solicitation easier — that actually brings business to the trust department without solicitation — is the basis for the success of trust promotion programs prepared by Purse. Without obligation, ask for a mail demonstration of such a program, and complete information about making it a profitable investment for your bank.

The PURSE Company

Headquarters for Trust Advertising

CHATTANOOGA, TENNESSEE

GI Roundtable on Borrowing

A PAMPHLET, "Does it Pay to Borrow?" is one of a series made available by the War Department to provide material for soldier discussion groups. Each pamphlet in the series gives factual information and balanced arguments as a basis for discussion of all sides of the question.

"Debt is a two-edged tool," states the pamphlet. "Under some circumstances going into debt may result advantageously, profitably. Under others it can so burden a man or a family as to ruin their lives. Like any sharp tool, the best way to handle it without hurting yourself is to know its proper uses. So before deciding we know all about it, let's look into this matter of debt."

Fundamental considerations of what debt is, what it costs to default, the procedure of bankruptcy, and the importance of a good financial and credit reputation, are briefly discussed in the first part of the pamphlet.

Since consumer credit is the type of borrowing most servicemen are likely to undertake, this subject is given the fullest attention. After explaining how consumer credit works, the pros and cons of immediate satisfaction of wants as contrasted to the financial saving of waiting until complete payment can be made are weighed. The most frequent sources of consumer credit are described and appraised. These include charge accounts, instalment buying, loan sharks, personal loan companies, bank personal loan departments, insurance policy loans, and industrial banks. The importance of figuring the cost of consumer credit yourself instead of taking the word of lenders or salesmen is pointed out.

FINANCING home ownership is the most important financial undertaking most families ever make and deserves the most serious consideration. The pamphlet points out some of the hazards and suggests waiting until a substantial down payment can be made. It also recommends looking into the insured mortgage loan provisions of the Federal Housing Administration when means of financing are being considered.

In the last section the loan provisions of the GI Bill of Rights are outlined. The three types of loans, home, farm, and business, are described. Then there is a word of warning to look out for the con man who is waiting to play the veterans as suckers.

A list of discussion questions and a bibliography for further reading are appended.

At steel hearings before Senate Surplus Property Subcommittee which opened recently. L. to r., Senators Murdock, Utah; O'Mahony, Wyoming; Surplus Property Administrator W. Stuart Symington; Representative Robinson, Utah



"\$21,000,000 OF AUTOMOBILE FINANCE BUSINESS IN 5 YEARS"

**Read what Frank G. Anger,
Vice President of the Industrial
National Bank of Chicago
has to say about the**



"In the five years just before the War, our volume of automobile finance business was approximately \$21,000,000. The insurance premiums on this business, written by some 2,200 different brokers and agents, amounted to just under \$1,000,000.

"Neither the bank nor the insurance men working alone could have generated either this volume of financing or premiums. Their *joint* efforts were responsible for changing the buying habits of the public and making the Plan work."



Is Your Bank Profiting By Using This Plan?

The Bank and Agent Auto Plan is made to order for the banks, the insurance agents, *and* the public. It benefits all three. It helps a bank increase its usefulness to its own community and many of the new customers gained will be good prospects for other bank services as well.

Working for and with the banks are tens of thousands of insurance agents and brokers. They know that the success of the Bank and Agent Auto Plan means more business for *them*. And the public is fast appreciating the advantages of saving money on auto financing *plus* being assured of complete insurance protection and service.

Close co-operation between the banks and insurance agents can make this Plan an overwhelming success — *for both*. The time for action is *now*.



ÆTN A CASUALTY AND SURETY COMPANY

Affiliated with Ætna Life Insurance Company
Automobile Insurance Company — Standard Fire Insurance Company

HARTFORD

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CONNECTICUT

The Trend in Bank Buildings

(CONTINUED FROM PAGE 41)

poses. Note the display of a mechanical stoker in the window at the right of the center door. The door itself blends into the clear-vision entrance and gives an unobstructed view of the interior. For accent, two eye-level display cases are inset in the glass brick panels on both sides, and with indirect lighting each unit gets attention day and night.

The use of a glass brick facade has interior advantages as well as giving a definite modern touch from the street. The Harlington (Texas) State Bank,

illustrated on page 41, demonstrates the effect. Here was a problem of a small narrow interior—25 x 130 feet, with only one source of direct sunlight—the front. Note in the photograph how direct sunlight is diffused by the glass, illuminating the whole forepart of the lobby and supplementing the battery of fluorescent lights without glare. This was a complete modernization job from scratch. Terrazzo floors were installed throughout the building except in the bookkeeping department, where com-

position tile was used. All ceilings were acoustically treated. The modern note of the glass brick front and solid glass door is carried out by the modernistic treatment of the tellers' booths, and the large checkerboard treatment of the floor tiling. Total investment in the building, including a 10-ton air conditioning plant, and two new vault doors, amounted to \$41,000. The marble fixtures and walnut wainscoting in officers' quarters were additional.

Proper lighting in the modern bank is a very important consideration and is infinitely more complicated than in a retail store or other commercial building. The lighting engineer not only has the problem of obtaining the most efficient distribution of foot-candles at the working level, but must take into consideration the proper light diffusion over a particularly large area. Here again many special types of glasses will be used.

From these indications and others which we shall discuss in future instalments, there will be a change in the architectural style of tomorrow's banks dictated largely by the new services a bank performs. It will use effectively the all-important visual factor to create and hold customer interest.

No longer will the bank be a more or less coldly uninviting structure marking a dead-spot on Main Street; it will take its place in both a physical and merchandising sense with other modern business establishments. Like the grocer, drug, and department store, with their open-fronts and well-displayed wares, the exterior of the modern bank will become alive with the dynamic motion of its interior.



T H E P R O P H E C Y
In peace, as in war, Los Angeles
and Southern California will
continue their tremendous industrial
and trade development.

MEMBER FEDERAL DEPOSIT
INSURANCE CORPORATION
HEAD OFFICE
SEVENTH AND SPRING STREETS

**CITIZENS
NATIONAL BANK**
TRUST & SAVINGS
OF LOS ANGELES

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Our DIRECT
SENDING of Transit
Items Is Unsurpassed
in the United States!

This feature of our Transit Department is especially profitable to our correspondents on "Street" collections.

The Commerce Transit Department operates 24 hours a day. Night Transit operation in the Kansas City Union Station. Mail is received at and delivered to the Post Office every 30 minutes day and night.

This service is ready for YOU!

Commerce Trust Company

KANSAS CITY, MISSOURI

Established 1865

Member Federal Deposit
Insurance Corporation

National Sales Finance Plan

THE National Sales Finance Plan, through which nearly 1,000 commercial banks are geared to finance retail installment purchases of household appliances, has become operative, with William B. Hall, formerly vice-president of The Detroit Bank, as coordinator.

William Wood McCarthy, vice-president of the National Shawmut Bank, Boston, heads the Plan's executive committee.

Mr. Hall's headquarters are in Chicago. One of his first tasks, it was announced, is to initiate arrangements with appliance manufacturers for almost nation-wide bank financing of their merchandise.

The Plan was outlined in October's article, "The Network Idea in Consumer Credit."



Has your own SELF-INTEREST ever talked to YOU about Agriculture?

YOU: Why should I worry about agriculture? That isn't my business. Farmers are in good shape now. Show me how to get some merchandise for our customers. That's my big self-interest now.

SELF-INTEREST: That is a problem, all right. But remember your history—agriculture was allowed to waste away and the whole Roman Empire fell apart. No nation has ever survived the destruction of its agriculture. In our country, in just one year, the equivalent of 12,775 one-hundred-acre farms went out of production.

YOU: I see your point. But let's leave it to the farmers, the Department of Agriculture, and the Agricultural Colleges.

SELF-INTEREST: They are doing a splendid job, but they need your help—everyone's help.

YOU: Well, I've heard about people meddling with farmers. How far did they get?

SELF-INTEREST: That isn't quite what I mean. Let's figure out what we can do that is strictly minding our own

business. Suppose our research people could show us how to use more products of the farm in manufacturing, or find ways to make farming less risky, or to lower farm production costs—all in line with our business. Both the farms and we would profit.

YOU: That makes sense—rural America is our largest single market. We might work with our legislators, too—help to improve rural education, build roads, spread electrification, soil conservation and reforestation. We might help to modernize farm buildings and machinery, promote farm hygiene and sanitation.

SELF-INTEREST: Now we see alike. I am confident that we will never have business problems we can't solve if we remember that prosperity must start with agriculture.

This message was prepared and paid for by Harry Ferguson, Inc., Detroit, Michigan (the Ford-Ferguson Tractor and Ferguson Farm Implements). We invite you to lend your active interest to one of our pressing national problems—the destiny of American agriculture.

Why Shouldn't America Have Through Sleeping Car Service from Coast to Coast?

Chesapeake & Ohio and the Nickel Plate stand ready to join with other railroads to start this service without delay!

OUR American railroad system, for all its fine accomplishments, is woefully inadequate in one important respect.

The traveler cannot go from one of our coasts to the other by through sleeping car service. He must break his trip—at Chicago, St. Louis, Memphis, or New Orleans.

Even if he rides the crack trains, he must still change at these points—*often with a wait of several hours in between*.

He must put up with the inconvenience of packing and transferring his baggage, often going from one station to another, waiting around for connections, boarding another train.

He has at least two sleeping car reservations to worry about—when one should suffice.

He is put to far too much trouble—and far too much waste of time.

Invisible Line Divides America

Why should travelers have to put up with this? Why should there be a dividing line beyond

which you cannot pass without changing trains?

Isn't it high time the travelers of this country enjoyed the benefits of through sleeping car service all the way from coast to coast?

And why shouldn't they get it? Is it because of the physical problem that would be involved in transferring sleeping cars from one road to another? Is it because schedules would have to be readjusted to maintain convenient departure and arrival times?

Surely, such problems can be worked out—and should be worked out—in the interest of the traveling public.

Who Will Take Action?

The Chesapeake & Ohio and the Nickel Plate Road are not the only railroads that, in conjunction with others, could provide this service. But no railroad has yet provided it. And we of the Chesapeake & Ohio and the Nickel Plate are willing to make a start.

In fact, we are so convinced that action should be taken, and

taken without more delay, that we go on record as follows:

A Concrete Proposal

Chesapeake & Ohio, whose western passenger terminus is Cincinnati, stands ready now to join with any combination of other railroads to set up through sleeping car service from coast to coast on practical schedules and routes.

The Nickel Plate Road, which runs to Chicago and St. Louis, also stands ready now to join with any combination of roads to set up the same kind of through transcontinental sleeping car service.

Through sleeping car service is bound to come. Because it is so much in the public's interest, it is also in the interest of all railroad people and all railroad investors. We invite their support—and the support of all who travel—for this badly needed improvement in rail transportation.

Chesapeake & Ohio Railway

Nickel Plate Road

Terminal Tower, Cleveland 1, Ohio

The Goal of the Graduate School

(CONTINUED FROM PAGE 51)

had in mind the fact that the vast majority of our banks are \$10 million or less in resources and that the school should be made available to all classes of banks regardless of size. Eleven hundred and fourteen banks have had men in the school. Four hundred and seventy-five of these institutions are below \$10 million in resources.

Since 1935, 2,462 men have been enrolled and 1,355 have been graduated. Four hundred and fifty-seven are still "in course." All these men who have graduated have passed their thesis examinations. Of these theses, 369 have been put in the libraries of the Association and Rutgers University. Sixteen men after graduation have returned to take courses in another major.

WE have been greatly pleased with the great use made of the theses by bankers, financial writers, college professors, and graduate students working for their degrees in various educational institutions of higher learning. It now requires the time of one member of our library staff to take care of these papers and see that they are handled properly and on a time schedule so that the greatest number of people can use them.

Fourteen theses have been published either by the Graduate School, or by book publishers and several thousand have been bought in this country and abroad. The Graduate School is making good on the connotation "graduate" in producing original studies which have been published and widely read.

In 1937 the Graduate School was en-

dowed by the Educational Foundation of the A.B.A., making it possible for the school to receive the income of \$250,000 to undertake a special field work called trust research. The director of this department, Gilbert Stephenson, was employed and has since given his entire time to the work of the school and its Trust Research Department. I haven't space to go into all the details of this work and will merely outline several phases of it.

First, Mr. Stephenson's services were offered to some of the leading law schools of the United States. They accepted and since that time he has been lecturing at these law schools to graduate students on certain practical aspects of trust business which are not covered in these schools. We have had a fine reception on behalf of the law schools as well as the national and local bar associations.

The second phase of the work has to do with conferences lasting three or four days in various localities where Mr. Stephenson gets together trust men, Institute instructors, and others and intensively pursues trust problems of interest in that community.

THE third phase of the work concerns itself with various supervisory agencies, both in the Federal and state governments, having to do with the supervision of trust institutions to the end that a better basis of examination can be worked out.

The Trust Research Department has published seven books dealing with

trust subjects. One book called "Trust Institutions in Common Law Countries" is the outstanding work in its field and is widely used by trust men.

We have been pleased with the great number of bank promotions which have come to the graduates of the school. However, education is only one of the requisites of a bank officer. Since the beginning the faculty has urged students to become active in the A.I.B. as teachers and officers. David Scott, the national president of the Institute this year, graduated in 1939. Many of the officers and committeemen of state associations in recent years are graduates.

AFTER more than 10 years' experience with the school, the faculty is aware that there are too many who get in who do not finish. Six hundred and fifty have not finished. Of course, this has been a war period and that accounts for a good many drop-outs. There are also the natural causes of health or change of jobs—things of that kind.

The Graduate School in the future must do a better job of selection so that we know beforehand that a man is competent to carry on the work and not have to drop out because he fears his own limitations as the work progresses.

While a great many of the men in the student body are men with college degrees, on the other hand we have found that some of the outstanding work done by students has been done by those who did not have more than a high school diploma but who have been students in the A.I.B. and, in addition, had received a good deal of training as bank officers.

SECOND, we must do a better job of advising and counseling while the student is "in course." We have not yet perfected our extension work. This is very difficult work to undertake. It requires a great deal of time not only on the part of the student but on faculty and administrative staff as well. It is one of the important phases of the school's work and must have a good deal more care and attention given to it than in the past.

Third, we also have to work for smaller sections of our classes. Some of our classes have too many students enrolled to do the best type of graduate work.

Fourth, while we have had splendid use of thesis material on the part of others we still must develop this phase.

"Looks like the foreign department is going to lunch early today"



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"MANUAL OF STOCK TRANSFER REQUIREMENTS"

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Covering stock transfers by individuals, corporations, partnerships, associations and fiduciaries, "Manual of Stock Transfer Requirements" is the first book of its kind which gives in clear, concise language an outline of the basic requirements for the transfer of stock.

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of our work. Too much of it is now wasted so to speak.

Beyond the intensive work which must be done to perfect things we are now doing, it is becoming increasingly apparent that there are at least two fields of future endeavor which the school would have to consider seriously. One has to do with teachers of banking.

We now have thousands of students in senior high schools and junior colleges who are being taught banking by a great many teachers who want further work in this field. The only places open for them now are the usual university summer courses. If The Graduate School of Banking were properly equipped to offer courses of six weeks to teachers of banking, the teachers could come in contact with an educational institution in the banking field that is more practical than the ordinary university summer course. We could give them a type of work which they are not now able to get in any other kind of higher educational institution.

AFTER men have graduated from The Graduate School of Banking, a number of them would like to take further work in certain lines of activity over a period of two or three months in residence. This work would be given in part on the campus and also under supervision in certain other banks, libraries, government departments, and business organizations, so that for a period of two or three months certain bank officers who would like to pursue certain phases of credits, bank operations, bank supervision, or trusts, would be permitted to secure postgraduate education of an advanced nature for an intensive period.

From time to time the suggestion has been made to us that the Graduate School open branches in various sections of the country. Perhaps such a time will come but not for several years. Graduate work, unlike undergraduate work in the universities, is always given in one place and not subjected to branch treatment. It has never been the pur-



"Mom's feet get awful sore stamping at us all day!"

pose of the Graduate School to carry on a mass educational program. The American Institute of Banking carries this on very successfully in some 300 cities and towns throughout the United States and for thousands of people in banking.

If these bankers wish to take more educational work than is offered in the schools and colleges, the Institute affords them that opportunity. The Graduate School of Banking should be kept for that limited number of bank officers who want to take the time and trouble and put themselves to the expense of a thorough, intensive course of a really graduate character. Besides, a number of the state bankers associations have sponsored educational conferences or schools in the last seven or eight years.

The faculty and administration of the school want to improve it as much as they can from time to time and in that effort the men in the alumni group can be tremendously helpful through suggestions, occasional visits back to the campus, and through urging qualified men to apply for admission. As the years come and go graduates will be proud of the school as it makes progress in meeting the demands for educational services which may be required of it.

A.I.B. Convention at Cincinnati

The American Institute of Banking will resume its conventions with the 43rd annual meeting scheduled to be held at Cincinnati June 11-14, 1946. Due to anticipated transportation difficulties, crowded hotel conditions, and the continuing manpower problems of the banks, the 1946 convention will be streamlined, limited to a program of three and one-half days, says National President David T. Scott. Local arrangements will be in general charge of the Cincinnati Chapter.

The annual mid-winter meeting of the A.I.B. Executive Council is scheduled for January 13-15 at the Baker Hotel, Dallas, Texas. Further plans for the convention will be made then.

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The book will include for the three vital years 1943-1945, the following data:

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Description of Issue

Name of Managing Underwriter

Offering Price

Selling Group Concession

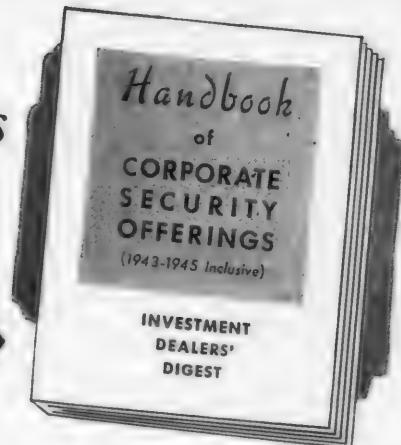
Amount taken by Old Stockholders (where offered to them before public offering)

UNDERWRITERS SECTION—Here the same data are presented—but instead of a chronological tabulation, the issues are classified according to underwriter.

INDUSTRIAL SECTION—Again the same data are reclassified according to industry. Here is a three-year record of all financing, indicating offerings in the building field, chemicals, rails, air transport, etc., etc.

All facts presented in this handbook have been submitted to each interested underwriter for checking before publication. Facts are further checked against S.E.C. records. THE INVESTMENT DEALERS' DIGEST, publishers of the Handbook, is the trade magazine of the investment banking fraternity.

Security offerings that consist of a re-offering of outstanding Securities . . . i.e., "Secondaries" or "Special Offerings" . . . are shown separately from new-money or refunding operations.



WHEN YOU ARE OFFERED A NEW ISSUE, FOR PURCHASE

Within a few seconds time you can find out, through reference to the *Handbook of Corporate Security Offerings*, what securities of companies in the same industry have recently been offered for sale . . . at what terms and price and by whom.

WHEN A "SWITCH" IS SUGGESTED TO YOU

The offering price of all new issues is geared to the market's appraisal of all similar issues. A mighty convenient, and practical, step in appraising securities you now hold is to examine the offering price of all securities operating in the same industry, over the past, vital, three years.

WHEN DEPOSITORS OR CUSTOMERS ENQUIRE ABOUT STOCKS OR UNDERWRITING FIRMS

If the question arises: "What type of underwriting firm is such and such?", here is a three year tabulation of all corporate underwritings, both stocks and bonds, which were managed by the firm. If a depositor, or trust officer, or director, is interested in getting the facts about any security offering in the past three years, here are the facts at your finger tips.

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The first print order for the Handbook of Corporate Security Offerings will be strictly limited. Orders now being accepted will be filled from the first edition. Please send no money. You will be billed after you have received your book. The price is \$2.50. You may return the Handbook in lieu of payment if you are not completely pleased with your purchase. To be sure of your copy, fill out the coupon below today. Shipment will be made after the first of the year, as soon as careful checking and printing will permit.

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Your Reading

World Trade, Home Jobs

INTERNATIONAL TRADE AND DOMESTIC EMPLOYMENT. By *Calvin B. Hoover*. McGraw-Hill Book Company, Inc. 1945. 177 pp. \$1.75.

THIS is the fifth volume in the series of research studies for the Committee for Economic Development. Dean Hoover of the Graduate School of Arts and Sciences at Duke University lived in pre-war Europe for extended periods and has recently been head of the intelligence group for the Allied Control Council.

The study examines the problem of reviving and expanding international trade, and deals especially with the relationship of international trade to America's domestic prosperity, and America's role in the well-being of other countries. Although the policy and program that is needed is considerably more complex than would be appropriate for a world in which trade was still almost wholly between individuals living and producing in capitalistic countries characterized by free enterprise and nearly perfect competition, the author finds that a comprehensive program of international economic cooperation can produce healthy world trade.

He lists seven essential elements of American participation in a program for the expansion of international trade, including participation in a plan for currency stabilization and an international bank, elimination or international control of international cartels, lowering our protective tariff on a reciprocal basis, settlement of lend-lease in a way that will not disrupt the international balance of payments, and a mercantile marine policy based on the requirements of national security, comparative cost of service, and equilibrium in the international balance of payments.

Finally, we must carry out dynamic measures for attaining and maintaining a high level of domestic employment, while collaborating in international economic policies that will facilitate the attainment and maintenance of high levels of employment by other countries.

Postwar Economics

POSTWAR MARKETS. Edited by *E. Jay Hoversline*. Public Affairs Press. 184 pp. \$2.50.

A GUIDE to postwar national markets has been prepared from data compiled

and interpreted by the Bureau of Foreign and Domestic Commerce of the Department of Commerce. The first five chapters deal with general considerations of the national business outlook, the effects of wartime savings and expanding family incomes, foreign trade prospects, and methods of market analysis.

Market prospects in 30 fields of business activity, commencing with residential construction, and continuing through major manufactured products and service industries, are briefly appraised as to supply and demand conditions, degree influenced by the general level of business activity, and, where pertinent, changing technology.

POSTWAR JOBS. Edited by *Nelson and Henrietta Poynter*. Public Affairs Press. 211 pp. \$2.50.

THE staff of Press Research, Inc., a Washington bureau which specializes in documenting current and controversial issues for publishers and broadcasters, has prepared this book on the various aspects of the postwar quest for full employment and 60 million jobs. The book emphasizes Government's part in the achievement of this goal. The policy of the Administration, the stand of Congressional leaders and groups, and the prospects for government action are outlined for key issues such as the full employment bill, reconversion planning, taxation, surplus property disposal, social security, and public works.

Proceeding to the fields expected to yield the largest increase in employment opportunities, the book appraises the outlook for new industries, agriculture, foreign trade, and housing. Here the employment potentials, and the aims and probable effects of business and government attitudes are weighed. Chapters are also devoted to jobs for veterans and the problem of minority groups.

POSTWAR SAVINGS AND INVESTMENTS. By *Laurence H. Sloan*. Harper and Brothers. 134 pp. \$1.75.

THE author is vice-president of Standard Statistics Company and Standard and Poor's Corporation and has written several other books on investment topics. In this volume he surveys the various methods available to people of medium-size incomes for the safe saving and investment of their money in the period immediately ahead.

The risks and possibilities of each type of savings provision are estimated in non-technical language, with the aid of simple statistics and charts, the book considers the place of common and preferred stocks in an average savings program, government bond yields compared to yields obtained from other classes of fixed income producing securities, corporation and municipal bonds, real estate and real estate bonds and mortgages, checking accounts, savings deposits, and life insurance.

Other Books

YOUR COST OF POSTWAR TAX PROPOSALS. By *Clinton Davidson, Jr.* Published by Harding College, Searcy, Arkansas. 76 pp. \$1. Professor Davidson outlines his proposals for a postwar tax program aimed to encourage private enterprise, balance the budget, and stimulate high income and employment.

DIRECTORS AND THEIR FUNCTIONS. By *John Calhoun Baker*. Graduate School of Business Administration, Harvard University. 145 pp. \$2.50. The duties of directors, with special reference to their management functions, are discussed. The experiences of four companies, given in detail, present evidence of different types of boards of directors which indicates that no set formula can be given but rather that each corporation must tailor its board to serve its own particular needs. Certain basic functions, however, are outlined by the author. Dr. Baker stresses the need for strong, able directors.

MANUAL OF STOCK TRANSFER REQUIREMENTS. By *Raymond J. Berlin* and *Raymond C. White*. Fairchild Publishing Company. 118 pp. Two lawyers wrote this manual outlining the usual requirements for the various types of transfers most frequently requested by individuals, corporations, partnerships, associations, and fiduciaries. The information is presented in easily understood, reference form.

THE GREAT STEWARDSHIP. By *Albert W. Atwood*. Harper and Brothers. 198 pp. \$2.50. The story of life insurance through its development in the last hundred years told in a popular manner and from an uncritical approach. The experiences of the Mutual Benefit Life Insurance Company through its 100 years of existence, as well as of other well-established and well-known companies, are cited to give a picture of the development of this business.

Blueprinting Better Communities

(CONTINUED FROM PAGE 53)

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completing his term of office as president of the Cookeville Rotary Club and through his leadership, the Rotarians have lent effective aid to the program.

"It's the first program of this type ever attempted in this state," he continued. "The cooperation between all agricultural and home workers in this county is really outstanding."

Every group working with farmers is represented on this agricultural development team. It includes representatives of the Extension Service, Soil Conservation Service, the banks, Farm Security Administration, Vocational Home Economics, U. S. Forest Service, Agricultural Adjustment Agency, the Federal Land Bank, Tennessee Polytechnic Institute, Feed and Seed Loan.

ALREADY the program is attracting attention in many quarters. Unique in many respects, it is probably the first indication that a program tailored for the needs of an entire county has been developed, publicized and placed into operation by a group of county agricultural workers acting on their own initiative and found without compulsion from their superiors.

"We tackled the job because we felt no one must be done," asserts Charles L. Lehning, Jr., work unit conservationist board of Putnam County. "We met once a week for many months. Teamwork was surprising and gratifying. Just about everybody made it a point to attend meetings without being coaxed or urged to be present. They really saw the need of doing something about conditions here."

The advertising fund was heavily subscribed by business people who see the need for publicizing the program. They're unanimously behind it.

THE program has received the enthusiastic endorsement of Cookeville bankers. One is S. D. Wilhite, vice-president and cashier of the First National Bank of Cookeville, who believes no other program attempted in Putnam County has received the whole-hearted support that has been given the Putnam Prosperity Plan.

"Farmers and business people alike back of it," he said recently. "Just ask anyone around here his views on that program. I think he can see the results of that plan."

"Already," Banker Wilhite added, "we're changing over from small de-

posits and large loans to small loans and large deposits."

H. S. Hargis, president of the Citizens Bank of Cookeville, agrees with the statement of his competitor.

C. K. Darwin, owner of a chain of small department stores in 35 Kentucky and Tennessee towns, is fully awake to the practical value of the plan.

"This program is increasing our business," he asserts. "I've learned our stores do a greater volume of business in the counties where farmers are doing a better than average job of farming. We sell a better grade of goods in the more prosperous counties, and conversely, a poorer grade in the poorer counties. I'm in favor of the prosperity plan for many reasons but improved sales is the leading reason."

Designed to succeed despite changes in personnel of the various agricultural agencies, the Putnam Prosperity Plan is winning increased approval on the part of farmers and townspeople alike.

ALREADY the county presents a marked change as the result of its objectives. The gospel of better farming through grassland is spreading rapidly. Farm incomes are improving as a result of more intelligent farm operations. As the farmers see the need for raising their own feed and reducing purchases of seed and feed grown outside the county, their savings will be reflected in better living and in fatter bank accounts.

"Putnam County was meant to be 'pasture farmed' instead of a corn producing section," asserts Mr. Lehning. "Our corn yields are so low that hog growers formerly paid about \$250,000 each year for feed in order to compete

with hog producers in the Corn Belt. We need to get away from corn entirely. Our land isn't meant to grow it."

That message is being carried to Putnam farmers in a series of community meetings. Here again the agricultural workers are doing work that isn't required of them.

"It's the only way to get our program across," Mr. Martin asserts quietly.

TYPICAL of the meetings was one held in the Thomas community recently. A large group of farmers had met at the schoolhouse to hear Messrs. Martin and Lehning outline the prosperity plan. Miss Nell Kendall, the efficient and talented young home demonstration agent, went along to lead the group singing and to entertain the children while the adults listened to the program.

Mr. Lehning had brought a soil survey map and pointed out the different land classifications. Here again he pointed out that some of the land was fit only for woodland and pastures, while the balance could be used for row crops.

"We need to quit growing corn," he emphasized. "That isn't our crop. It's causing us to lose our best soil. Farmers in even the richer sections of Tennessee know better than to grow corn. They let livestock do their farming. We can do the same here."

ARTICLES in the *Putnam County Herald* appear on the front page each week to call attention to various phases of the Putnam Prosperity Plan. These include farm marketing, contour cultivation, crop rotations, household management, farm credit, improved pastures and grazing crops, poultry production and dairying. These are supported by full page advertisements in which the salient features of the plan are briefly discussed.

"It's surprising how many of the country people read those articles and advertisements," commented Mr. Martin. "It's even more surprising to find people on the streets commenting about them."

Miss Kendall agreed with him. Said she:

"Even busy farm wives somehow find the time to read stories on labor saving methods in the kitchen."

"What's more, they read the advertisements, too."

"I want one of everything that's back on the market"



The Putnam Prosperity Plan is just one part of the many ideas being incorporated into rural development work in Middle Tennessee. A total of 117 communities in 40 Middle Tennessee counties are competing for 25 prizes ranging from \$1,000 to \$25 for the community doing the best job of improving itself.

Putting it bluntly, better rural communities mean more business and profits for every type of city enterprise. Hence the Middle Tennessee Community Improvement Contest sponsored by the Farmers Club of the Nashville Chamber of Commerce.

Supported by bankers in addition to

almost every type of business enterprise in Nashville, the Middle Tennessee Community Improvement Contest has Joel Fort, head of the Nashville branch of the Federal Reserve Bank, as its principal propagandist. At a recent meeting, Mr. Fort pointed out the four objectives of the campaign. In brief they are:

(1) Development of social, economic, educational and religious activities of the community in which the people work cooperatively, utilizing leadership, vision, resources and the spirit of being helpful for the common good.

(2) The production, conservation and use of sufficient quantities of the right kinds of food to provide an adequate and balanced diet as result of people working and planning together in the production of milk, meat, eggs, fruit and vegetables.

(3) Improvement of soil fertility through a well-rounded system of farming which protects the land from erosion, provides a balanced feed and pasture program for livestock, utilizes modern machinery and provides increased income for better family living and community life.

(4) Improvements in convenience, comfort, attractiveness and livability of homes and farms, and of the entire community as a result of organized planning and group effort. Activities designed to remove as much as possible the drudgery from farm and home work and the development of a love and appreciation for farm and community life through pride of achievement and a desire to be of service to others.

This is a long-range program covering many years. Bankers and other business people realize that a contest of this type gives rural communities a real incentive for self-improvement. Putnam County's prosperity plan, and similar programs in other communities and counties, spring from the grass-roots thinking of farmers and the people working closely with them. Out of programs of this type will come entries on the debit side of the bank's, other businesses' and the community's books.



When a diplomat comes to the parting of the ways, he goes both ways.

Judging from all the diplomatic arguments and the industrial strikes it almost seems that the trouble with war is that it followed by peace.

They now say that we will live fifteen years longer than our grandfathers, but they don't say why.

BANKING

SALE or LEASE FULLY EQUIPPED BANK BUILDING

At the Southeast corner of Haddon and Kaighn Avenues, Camden, New Jersey. Situated in Parkside Section of Camden, representing the best purchasing power within the city limits. To the West and North is Liberty Park section, representing the residential district for wage-earners. The building enjoys a high degree of visibility out to the wide streets and the angles of same. The principal business and shopping district for these sections immediately surrounds this building. The corner is benefited by heavy vehicular and pedestrian traffic count. Haddon Avenue is the main city artery, connecting the Delaware River Bridge and the White Horse Pike, while Kaighn Avenue is the main street crossing Camden and connecting the two principal districts of South Camden.



Solid building of limestone and marble erected on a steel frame. Containing large banking floor equipped with modern vaults, office partitions and fixtures. The second floor contains board room and private offices. The basement contains storage and vault rooms and heating plants. High ceilings adaptable for any use. A lot of 40' x 100' adjoins the building which may be used for parking space and which is suitable for the building of stores.

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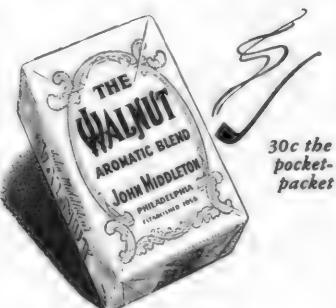
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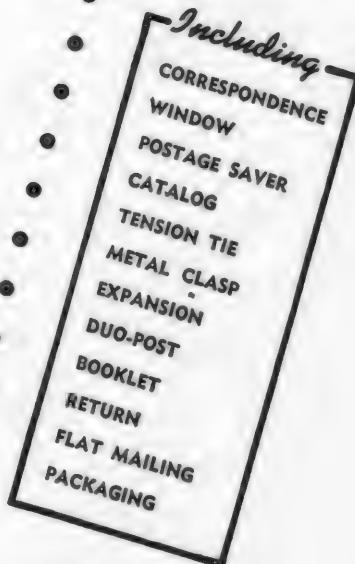
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*Originally Berkowitz Envelope Co.

Saturday's Banking

(CONTINUED FROM PAGE 38)

country to criticize banks for not providing adequate banking facilities for the public. We are of the opinion that since the majority of business houses, both retail and wholesale, and the majority of manufacturing establishments are open for business on Saturday, it would be a mistake not to provide them with at least a half day's banking facilities.

"Furthermore, we are not anxious to provide our competitors, such as savings and loan associations, finance companies and government agencies with means of further establishing themselves in the business of banking.

"We do not see how it would be practical for banks in smaller communities to close on Saturday, and we are definitely of the opinion that there would be serious conflicts with the negotiable instruments law to have our city banks close and our country banks open."

Bank Competitors Would Benefit

"We have had no discussion here in regard to Saturday closing and our bank would be very greatly opposed to any move looking toward Saturday closing. It is my opinion that the bankers in this country are making a very serious mistake in their continued efforts to shorten their hours. After all, a bank is a service institution and should stay open long enough to take care of its community.

"To my way of thinking, the two best methods which the bankers can use to eventually get the Government to take over the banking system is to continue to shorten their hours and make bank service more difficult for the public and the other is to continue to ask for the Government's guarantee of loans.

"If we expect the Government to take all the risks and we only stay open a minimum period of time, we will not have much kick if the Government should decide to go ahead and operate the banking system."—Albert H. Sims, secretary, Gastonia (North Carolina) Clearing House Association.

"We are at the present time getting considerable criticism on our present hours as they are from 10 to 2 on week days and 9 to 12 on Saturdays. I am certain that the question of lengthening the present hours will be brought up at our annual meeting in January. However, I am quite sure our hours on Saturday will remain from 9 to 12 as this is the heaviest shopping day in the

week in our community and we are sure our merchants would feel as though they were not receiving our cooperation if they did not have access to banking facilities."—H. L. White, president, Billings (Montana) Clearing House Association.

"The Grand Island banks have not given serious consideration to the question of Saturday closing. It has been mentioned a time or two but the consensus seems to be that it would not be practical in a rural community. Furthermore, it would be playing into the hands of the PCA and the finance companies."—Edward Huwaldt, secretary, Grand Island (Nebraska) Clearing House Association.

We have never thought of Saturday closing and did not know that it is being considered by banks in other parts of the country. Can it be that the whole country is in for getting more and more in exchange for less and less? A five-day banking week is similar to a 40-hour week with 52 hours' pay."—R. B. McPherson, secretary, Shreveport (Louisiana) Clearing House Association.

Summer Closing Successful

Among the minority of banks which favor Saturday closing are a number that have had favorable experience with summer closing. This leads them to believe it is feasible all the year around. It is frequently suggested that Saturday closing be coupled with evening hours one day a week to take care of customers who cannot reach the bank during regular daytime hours.

Says F. C. Martens, Oakland, California, clearinghouse secretary: "As three of our larger member banks are branches with head offices in San Francisco, I would have every reason to believe that we here in Oakland would follow any action regarding closing taken by the San Francisco banks. As a matter of fact, when the banks in San Francisco, both commercial and savings, decided to close Saturdays during the months of June, July and August of 1940 we did likewise. As I recall it, while some of our customers may have been inconvenienced, the public reaction as a whole was not unfavorable."

The State of New Jersey has a statute permitting banks to close on Saturdays from June 15 to September 15. Most banks of the state observe this closing, except for some banks on the shore which have a weekend rush.

Carl K. Withers, member managing committee, Newark (New Jersey) Clearing House Association, believes a year round five-day week to be practical.

"My own feeling is that eventually most banks will be on a five-day basis," he wrote. "And as far as our own operation is concerned, I don't believe it would have very much effect, once the public became educated. I do believe, however, that if this came about most banks would find it necessary to stay open one evening a week so that the aggregate number of hours worked by employees would not be very much reduced. I say this because there are a great many people such as school teachers, commuters, etc., who simply cannot get to a bank during regular banking hours."

Legal Action Needed

W. Paul Stillman, chairman of the Newark (New Jersey) Clearing House Association, recently stated that strong sentiment in favor of making Saturdays a year-round legal bank holiday in New Jersey has developed at several recent meetings of the association. However, no formal action will be taken by the Newark banking group, Mr. Stillman said, until a thorough study has been made of all phases of the question and its effect upon the banking requirements of the people of New Jersey.

In most states legal obstacles complicate full Saturday closing even though banks might like to undertake such action. Efforts to obtain permissive legislation have been started in several states.

"It appears to us that unless the states provide laws which will make Saturdays definitely a legal holiday, it would be useless for us to consider the matter. As matters stand now, we are obliged here in Ohio to remain open on Saturday until noon," wrote A. C. Wolf, secretary-manager, Dayton (Ohio) Clearing House Association.

The banks of Wilmington, Delaware have been closed on Saturdays since September 1, 1945. This is the only city that reported complete Saturday closing. The following announcement was posted in the lobbies and advertised in the local newspapers: "The commercial banks of Wilmington will be open from 7 P.M. to 8:30 P.M. on Friday evenings beginning September 7, 1945. They will be closed on Saturdays hereafter."

"If our experience after the last war is any criterion, we face a future crime wave of major proportions."

— HARVEY S. FIRESTONE, JR.

**From an address to the graduates of the Federal Bureau of Investigation Police Academy, April 10, 1945.*

Prudent bankers, remembering the conditions that prevailed after World War I, are taking advantage of recent rate reductions on Bankers Blanket Bonds, to purchase broader forms and increased coverage.

They also are safeguarding themselves against possible future rate increases, and at the same time saving themselves a half-year premium, by having their bonds written for three-year terms, instead of on an annual basis.

FIDELITY, SURETY AND BANKERS
BLANKET BONDS; BURGLARY, ROBBERY,
FORGERY AND GLASS INSURANCE



FIDELITY AND DEPOSIT COMPANY OF MARYLAND

Founded 1890 — Baltimore, Md.

WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE

Are You Using Your Goodwill Assets?

BANKS have individual personalities, of course. Every one of them, without exception, has points about itself and its community that can be made interesting features of their advertising and publicity, if one will only look around and dig out the background material.

More and more banks are doing some good advertising along this line, but there still are too many that do not.

To approach the job of creating a more interesting bank personality one should try to get away from too practical and literal a viewpoint. Intangibles are sometimes the strongest force.

Just take a look at the successful techniques of leading national advertisers such as the Chesapeake and Ohio Railroad which for years has featured the Peake family of cats, notably the kitten Chessie with the slogan "Sleep Like a Kitten," showing this cute little trick tucked under the covers of a comfortable Chesapeake and Ohio berth. Another example is the justly famed advertisement of the New Haven Railroad, "The Kid in Upper Four," concerning a young American soldier making his last trip on that railroad prior to going overseas. A third illustration of this kind of advertising, definitely in the realm of whimsy, is the Borden cow Elsie, her husband Elmer and their young offspring Beulah, which present a benevolent aspect to an extremely large business and which appeal to a pretty important group in the Borden scheme of things—children.

So more banks might unbend a little and indulge in some occasional romantic or dramatic writing about things not too directly concerned with banking—but which will present their institution in warmer colors.

To be specific, a bank advertising counsel once was talking to the president of a bank. He was trying to dig out distinctive points for some institutional advertising. The president said, "We're just like any other bank. We receive money, put it to work, pay it out when asked to do so."

But the advertising man persisted. Didn't anything of a human interest nature ever happen in the bank's contacts with customers? He explained that institutional advertising and publicity does not necessarily have to talk strictly about banking operations.

Suddenly the president remembered something. "Go over to the first teller's

cage and ask for the baby shoe," he said.

The advertising man did so and the teller rummaged around underneath the counter, finally coming up with a dusty baby shoe.

Back at the desk of the president again, the advertising man heard this story:

TWENTY-SIX years ago the bank had a formal opening. Crowds of people attended. That night, after everyone had left, the janitor found this baby shoe on the lobby floor when sweeping. The next day he took it to the president, who decided to hold it for a while, thinking someone would claim it. But no one ever appeared and one of the tellers kept the shoe in his cage as a token of good luck for the bank in its new home. There it had remained for 26 years.

"Can you do something with that?" said the president.

The advertising man certainly could. He had a photograph made of the shoe and wrote a news story as well as an advertisement. These asked the people of the town whether anyone remembered losing such an article at the formal opening of the bank 26 years ago. If so, they were invited to claim the shoe.

The advertisement added that some people may think banks are without human feeling, but that this institution sincerely wanted to return the shoe to its owner if possible.

The little incident, as the president later admitted, turned out to be one of the best pieces of publicity and advertising ever used by the bank. People

started talking about the shoe, and as the president walked down the street young ladies would stop him and say, "Mr. Blank, I am coming in to try on the baby shoe as Cinderella did the glass slipper."

No, the owner of the shoe never was found—but the bank found a priceless public relations asset which warmed people's hearts and made them think of the institution as something more than a mere machine for receiving and paying out deposits.

AN incident in another bank shows how one should be on the alert constantly for current happenings that can be made the basis of this type of advertising and publicity. A little girl was seen swinging back and forth on a gate leading to the officers' space. The president was seated at his desk nearby. To some he might have appeared as a somewhat stern, unapproachable banker. But not to this little girl. As she swung back and forth she carried on a conversation with the president—and he responded. She told him her name, that her mother was over on the other side of the bank transacting some business, that she had an account there, too. Back and forth the conversation continued about this and that. A little later the mother came over and the two left the bank after a friendly "goodbye" from the little girl.

Now what was there in this incident that could be made the basis of advertising throwing a favorable light on the bank's personality? Unless one is making a special attempt to discover and

(CONTINUED ON PAGE 124)

"He lives all year for this day when he can run around kissing the girls"



This Building will have a Highway on Every Floor!



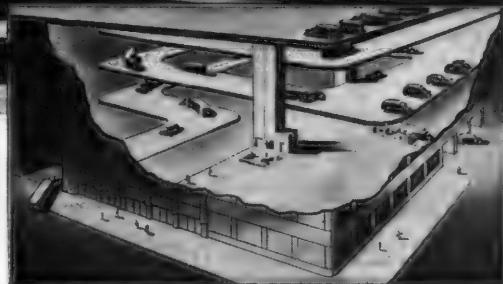
THIS IS A DRAWING of the "Interstate Commerce Center", to be erected in downtown Manhattan by the Tishman Realty and Construction Company. Thirteen stories high, covering four square blocks, it will have a continuous 32-foot wide highway connecting every floor!

Here is built-in transportation in its most modern form—planned to take full advantage of the flexibility of motor transport.



Alert manufacturers, distributors, wholesalers, warehousemen and others who are intensively studying methods of making motor transport fit more closely into their businesses, will hail this type of planning.

Experience has proved that by gearing Trucks and Trailers with production and distribution, a business can be operated with greater efficiency and at much lower cost.



Architect's sketch of interior showing highway connecting each floor. A loading platform to accommodate 23 Trailers will be provided on every floor.

A Truck, pulling a Trailer, will go direct from the street to any floor, "drop" the Trailer at the loading platform on that floor, couple up to a loaded Trailer—and will be on the street again in a matter of minutes.

If you are altering or building, consult your Traffic Manager! He can help tremendously.

Your Architect, too, is alert to the importance of providing adequate facilities for motor transport—and should be on your planning committee.

These specialists, working together, are certain to improve the efficiency of your operation.

World's Largest Builders of Truck-Trailers

TRUEHAUF TRAILER COMPANY
DETROIT 32, MICHIGAN

Service in Principal Cities



"Engineered Transportation"

Fruehauf Trailers

Are You Using Your Goodwill Assets?

(CONTINUED FROM PAGE 122)

use such material it probably would be passed by as of no significance. Yet here was tangible evidence that the popular conception of bankers being unapproachable was not felt by this tot. She had no hesitancy in treating the banker as an equal, if you will! With the instinct of childhood she recognized that here was a genuine friend; that the bank's atmosphere was as inviting and friendly as the front porch of her home, for instance.

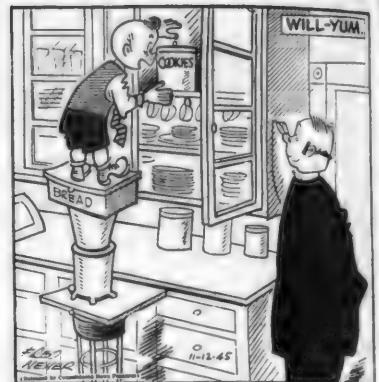
Well, an advertisement along that line was written and published. No need to repeat its language here. Suffice to say it didn't utter the platitudes about friendly atmosphere that many bankers sometimes pay money to say. It told about an actual incident proving the friendliness of the bank.

OCCASIONALLY a bank's customers will bring in material that can be used for this type of advertising and publicity. In one of these instances a farmer stopped at the desk of the cashier to show him a souvenir. The farmer formerly had lived in Belgium and one

day as he was tilling his field he came across the object. It was two bullets which had been fired during the first World War. By one of those rare chances, the two met in mid-air and fused together. It was a curious happening, and the farmer merely wanted his banker to see the bullets.

The cashier could have expressed interest, perhaps shown the souvenir to a few others in the bank, thanked the customer, and let him go on his way. In fact, he probably would have done so had not his advertising counsel heard about the incident. He saw to it that the interest of the story wasn't allowed to be known to only a small number of persons! A photograph was taken of the bullets and advertising and publicity was prepared. A display of the souvenir was put in the lobby of the bank. Before this institution was through with the subject, everybody in town heard about the bullets in the bank. Did the latter benefit? What do you think?

To do this kind of advertising you don't even have to have material con-



"I know it isn't right, Reverend, but did you ever taste Mom's cookies?"

nected in any way with your bank.

These stories could be continued indefinitely, but enough have been cited to show that banks have a wealth of valuable material if they will only look around and use it.

Undoubtedly, your institution has something of this kind, too.

No, banks are not as alike as post-offices.

DUANE BARTLETT

With a background of fifteen years bank architecture experience, I will consult with you and your architect on your conversion building plans, offering the services of a specialist in bank design.

AARON G. ALEXANDER
ARCHITECT

20 EXCHANGE PLACE
NEW YORK 5, N.Y.

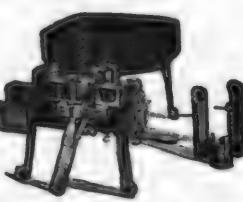
Telephone: BOWling Green 9-0394

COIN COUNTING MACHINES

No Priorities
OR
Approvals
Necessary

Please send cata-
logue on Machines
Bank Supplies

MODEL No. 4ET—(Electric)
A large motor driven Machine with an unusual regulation for speed and durability. Will handle all coins. Automatically locks after each count of 20, 25, 30, 40 or 50 coins or will count indefinitely into a bag. Register can be reset to zero.



MODEL No. 2X—(Hand operated)

Adjustable for pennies, nickels, dimes, quarters or halves. Can be set to lock automatically when 20, 25, 30, 40 or 50 coins have been counted or will count indefinitely into a bag. An operator can count and package 400 coins a minute or count 2000 coins into a bag. Register can be reset to zero.

ABBOTT COIN COUNTER COMPANY

143rd ST. and WALES AVE.
NEW YORK 54, NEW YORK

A farmer is a fellow who gets up at 5 A.M. and hurries through his work by 9:30 P.M. so he can read a farm paper about how to make money by farming more intensively.

Why not arrange these loans to European nations so payments would be made to us after each tourist season?

Note to the President: Mobilize all the writers and commentators who were military experts in World War II, and we shall have an adequate standing army.

In the old days spirited chargers carried noble knights on their backs. Nowadays spirited chargers run the winter and summer vacation resorts.

BANKING

Since NAC h of the E NAC's bank's \$20,000 \$50,000 and ne loan a Nether France rates in tia up rese the m penses The te agree Dutch without way t resource Congre As in the Ex by the Ameri Bank, to cont makin to resu the U ST AL ALL T HE AT B VAN I INTER

Sifting Foreign Loans

(Continued from page 47)

Since its first meeting in August the NAC has supervised the general policies of the Export-Import Bank. A clue to the NAC's policies may be found in that bank's recent activities, including the \$20,000,000 loan to Denmark, the two \$50,000,000 credits to the Netherlands, and negotiation of other reconstruction loan agreements with Norway, the Netherland East Indies, Belgium, France, Greece and China. The interest rates in the agreements thus far negotiated disclose the intention to build up reserves against losses and to recover the cost to the United States both of the money lent and of operating expenses in connection with each loan. The terms of the recent Netherlands agreement disclose the expectation of the Export-Import Bank to resell the Dutch bonds to the American public without that bank's guaranty. In this way the bank hopes to replenish its resources with minimum recourse to Congress for additional credit powers. As in earlier instances, the decisions of the Export-Import Bank now approved by the NAC tie the use of the loans to American products. The Export-Import Bank, under new management, appears to continue its long-established policy of making only loans which are unlikely to result in loss to the Government of the United States.

Whether this end can continue to be achieved in view of the much vaster scope of the Export-Import Bank's operations under the 1935 act and the balance of payments outlook is far from clear. This country is geared now more than ever to a chronic surplus of exports, which fact alone raises doubt as to our willingness to receive and the outside world's ability to make repayment of the enormous sums currently and prospectively involved.

As reflected in public statements of the present management of the Export-Import Bank, the Administration does not contemplate any net repatriation of the capital being lent abroad. Mr. Chatfield-Taylor sees "no fundamental reason . . . why well-conceived foreign investment may not proceed without definite limit, either as to amount or as to period. . . ." Moreover, if Britain's efforts to procure from us large-scale financial aid on a non-business basis succeed, there will be created a precedent which other borrowers abroad will seek to emulate, a prospect which bodes not well for the Export-Import Bank's objective mentioned above. This is a matter which demands the careful attention of the NAC, whose duty it is to coordinate this Government's foreign lending activities.

The NAC's meetings are conducted in an informal atmosphere. Circled around the desk of Secretary Vinson in comfortable chairs are the other four NAC principals, and behind them their chosen advisors. Harry White is always on hand to help his chief. Mr. Collado, a former Treasury Department economist, regularly attends with Mr. Clayton. Mr. Wallace frequently brings along Amos Taylor, while Burke Knapp, recently of the State Department, is always present as Mr. Eccles' assistant on international affairs. Mr. Chatfield-Taylor, however, himself an alternate until a new chairman is designated for the Export-Import Bank, comes alone.

When Leo Crowley was a member of the NAC the clash of personalities with differing views was sharp. But Mr. Crowley was outvoted. Since his departure the NAC meetings have been much calmer, although the members do not hesitate to speak their minds and there is a certain amount of pulling and hauling. The assistants also freely enter the discussion, whenever they feel that they have a contribution to make.



In boom or depression
... in Peace or War...
always at the forefront
of Banking Service in
Baltimore since 1894

MARYLAND
TRUST COMPANY

BALTIMORE

HEYWARD E. BOYCE, President

Member Federal Reserve System and
Federal Deposit Insurance Corporation

You're Right in the Center of

WHAT'S GOING ON
IN NEW YORK

when you stay at The Roosevelt!
Theatres, shops and business
districts are just a few minutes
away . . . and every comfort is
assured by Hilton service.

Rooms with Bath from \$4.50

ROOSEVELT GRILL

The home of GUY LOMBARDO
and other famous orchestras.

HOTEL
ROOSEVELT
Dean Carpenter, General Manager
Madison Ave. of 45th St., New York
Direct entrance to Grand Central Terminal

OTHER HILTON MOTELS INCLUDE

Chicago: The Stevens

Dayton: The Dayton-Biltmore

Los Angeles: The Town House

C. N. Hilton, President



ST. LOUIS SNAPSHOTS

HE GETS
ALL THE BREAKS...
HE HAS A ROOM
AT THE HOTEL

Mayfair

FIRST
NATIONAL
BANK

SOLID BRONZE
BANK SIGNS
AND TABLETS

Select International Bronze signs and tablets for your bank. Wide choice of standard and custom designs. Estimates and special sketches cheerfully submitted. Superb workmanship, modest prices, satisfaction guaranteed. Write for free Illustrated Catalogue B. SHOWS HONOR ROLLS, AWARDS
and other bank needs.

INTERNATIONAL BRONZE TABLET CO., INC.
38 East 22nd St., New York 10, N.Y.

Country Banks Plan Aid to Farmers

(CONTINUED FROM PAGE 57)

Chairman Bailey presented to the commission a country bank program covering principles of farm mortgage financing, as follows:

(1) The test of a good farm mortgage loan is one where the farm offered as security will produce sufficient income to pay operating expenses includ-

ing taxes and insurance, provide a living for an average family, and leave enough margin to pay interest and principal.

(2) The loan should be amortized on a plan adapted to the borrower's ability to repay, and the loan contract should permit advance payments on principal. Loans made during periods of high income should provide for rapid repayment until reduced to an amount that can be carried with much lower farm income.

(3) Make use of available records like land classification maps, soil maps, and aerial photographs which are now complete for many agricultural counties to help determine the quality and productivity of the land in the territory where the farm offered as security is located.

(4) Farm property offered as security should be appraised by a qualified person familiar with local farming practices and values and his report should show description of the land as to its productivity, types of soil, and its relative value with other farms in the community.

(5) The appraiser's report, which becomes a permanent record of the bank, should include full information as to the borrower and his family, his character and industry, his attitude toward conserving the soil and building up his property, and his experience and ability as a manager.

(6) In making an appraisal of the farm, first consideration should be given to the income which the farm is expected to yield at average farm prices over a period of years.

(7) Farm buildings should be appraised according to their usefulness to the business of the farm, on the basis of their contribution to the farm income rather than on their cost.

(8) Loans should be supported by adequate records—records that can be made available, if necessary, to the bank examiners to confirm the judgment of the bank officers and directors who made the loan.

The Senate's Atomic Committee: Seated l. to r., Senators Johnson, Tydings, McMahon, Vandenberg; standing, Hart, Millikin, Austin, Hickenlooper



INTERNATIONAL BANKING

ORDER YOUR CHRISTMAS GIFTS BY MAIL
DIRECT FROM
CHOCOLATE COVERED
TOasted ALMONDS

We gather choice jumbo almonds from sun-drenched California orchards, toast them to a golden-brown perfection, hand-dip them in rich, creamy, pure chocolate, and send them direct to you or your friends! They're really luscious!

\$2.00 POUND BOX POSTPAID

Satisfaction guaranteed or money refunded! PROMPT DELIVERY—Order now for Xmas!
Enclose check or money order with your order. Ask for our free catalog.

The Country Store of Beverly Hills
P.O. Box 551, A-25, Beverly Hills, California



Our borrowers like this life-insurance plan

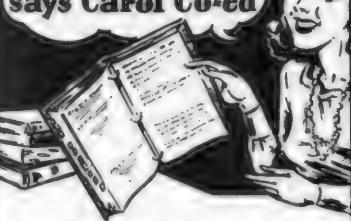


GEARED to your needs

Many Personal Loan Departments, familiar with every type of life insurance coverage for their loans, find that Old Republic insurance is best suited to their needs. As a pioneer in this specialized field, Old Republic provides a comprehensive service, geared to your requirements. Details of the Old Republic plan have been carefully worked out to make the insurance advantageous to the borrower, to his family and to your bank.

OLD REPUBLIC
CREDIT LIFE INSURANCE COMPANY
309 W. Jackson Blvd. Chicago

"See what I mean..." says Carol Co-ed



"By finding notes quickly you're way out ahead. Each section is marked with a tab you can see. It's MAK-UR-OWN, always—no other for me."

GENUINE - ORIGINAL
MAK-UR-OWN

TRADE MARK REG. U.S.A.
CELLULOID
INDEX TABS

Write, type or print any index, slip into MAK-UR-OWN strip, cut to length and attach permanently in a moment. 7 colors, 3 widths; printed sets and die-cut tabs.

At your stationers.

Equip every desk with



MAK-UR-OWN
Index Tabs

THE VICTOR SAFE
INCORPORATED
TOHAWANDA NEW YORK

WASHINGTON

(CONTINUED FROM PAGE 65)

Interest Rates There are other problems relating to, or tying into the affairs of banks, each one important to the national welfare and involving economic processes important to financial institutions:

(1) The Treasury must soon determine its policy in relation to interest rates on borrowed money. Any Treasury policy in this field involves bank earnings. It also involves the interest rates which banks can charge on money they loan, as well as the earnings which trust funds and estates can make. The Treasury, because of the size of the public debt, feels obliged to pursue a managed-money policy. Will this mean progressively lower interest rates? Will it mean more short-term money? Early the coming year, the course to be followed will probably be made unmistakably clear.

Reorganization of Agencies (2) The Truman Administration desires to reorganize

the executive agencies and departments of the Government. There is an undoubtedly need for such a program. There are three bank supervisory agencies. Will they be revamped, realigned, left independent, or tied together? There are in existence, several plans. But how will

THE TEXAS COMPANY



173rd Consecutive Dividend paid
by The Texas Company and its
predecessor.

A dividend of 50¢ per share or two per cent on par value, and an extra dividend of 50¢ per share or two per cent on par value, was declared November 16, 1945 on the shares of The Texas Company, both payable on January 2, 1946, to stockholders of record as shown by the books of the company at the close of business on November 27, 1945. The stock transfer books will remain open.

L. H. LINDEMAN
Treasurer

% INTEREST TABLES... OF EVERY KIND

Universal, E-Z, Robinsonian, Star, Simplex, PDQ, IXL, Standard and others. Order direct from largest publisher and supplier of banking interest tables.

TWENTIETH CENTURY CO.
542 S. Dearborn St., Dept. 1, Chicago 5

a single super agency affect the dual banking system?

(3) Closely connected with reorganization fears and needs of the Federal bank supervisory agencies, are appointments to fill key positions within these agencies. There are vacancies on the Federal Reserve Board. There are officials of the other agencies who would return to private life. Will friends of banking be named, or will the positions go to political choices?

(4) There is admittedly a great need for new homes and repair of old houses. Under the best of conditions, it will be many years before the increased population will be provided for, to say nothing of the backlog which has been built up during the depression and the lack of materials for housing during the war years. Great fears exist among some government officials that prices will be too high for all the materials going into houses and that labor costs will make construction virtually prohibitive. Those who believe in government controls favor the placing of price ceilings on the sale of new homes. Then there are the proponents of public housing which would fill the gap with public funds for those in the lower income groups. Bills to this end have been introduced.

(5) There continues to be agitation for stricter government control over bank holding companies. The Federal Reserve Board sponsored a bill to that end, but recently has withdrawn the measure. It was indicated that a new bill would be offered in its place. Further delays are now hinted, however. Meanwhile, utility holding companies are faced with sharper government competition by tax-supported corporations operating in the public power field.

Credit Controls (6) Consumer credit changes are tied closely with continuance of war powers acts.

While the Federal Reserve Board operates under a war invoked law, Congress appears anxious to restrict greatly the applicability of wartime powers, or declare a date for the ending of the war. In either event there arises the problem of applying consumer credit restrictions to reconversion conditions. There is evident a desire to lift credit controls at an early date. Other war powers will soon have to be continued or allowed to lapse. There is also the prolonged Emergency Banking Act which still remains in force. This act calls for the licensing of banks. The Second War Powers Act expires at the end of this year. Much of the au-

thority now exercised by OPA ends, unless renewed, next mid-year.

Subsidies for Farmers (7) Not the least of the reconversion problems relates to agriculture.

The removal of government farm subsidies highlights living costs, and emphasizes competition. In addition, there are various farm bills, such as reorganization of the farm credit agencies and the Farm Security Administration. Just how long these will be held back from House and Senate debate is now a matter of discussions in farm committees.

(8) While Congress passed, and the President signed, a tax-reduction bill, the Treasury and the Joint Tax Committee of Congress have professed a desire to reexamine the whole tax structure. While this has been promised often in the past, business and banking live in hopes that the complicated tax-structure will be modernized and when this is done that state taxes will be taken into consideration.

(9) A revised GI Bill of Rights has been passed by Congress. The changes in the present law follow broadly along lines recommended by the A.B.A.

THE QUALITY OF BEING
Exclusive
IS ONE OF THE PRIVILEGES OF
HOTEL BOOK-CADILLAC

TAKE FOR EXAMPLE

The Esquire Room
"FOR MEN ONLY"
where you'll enjoy superb Book-Cadillac fare in a quiet, distinguished room where feminine fripperies cannot intrude.

FOR GAYER MOMENTS

- The conviviality of the Motor Bar
- The Sophistication of the Boulevard Lounge
- The Beautiful Book Casino

HOTEL BOOK-CADILLAC
Dinner \$11.
RAY M. THOMAS, General Manager

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EDITORIAL

THE CONDITION OF BUSINESS

By WILLIAM R. KUHNS

THE OUTLOOK. While our attention has been focused on various kinds of trouble here and abroad, giving the impression that the world and business are upside down, a great deal of reconversion has been quietly going on.

The scarcity of basic metals and plastics, and in some areas a shortage of skilled workers, have been delaying factors, particularly in smaller plants. Strikes, of course, have retarded programs throughout industry. Both business and the unions have the money for a protracted contest. The most powerful opinion-making influence on the side of business is that the public wants the cars and the goods and is not inclined to quibble over a few dollars one way or another.

These disturbances have an adverse effect far beyond the range of the industries immediately affected. They encourage a wait-see attitude and some plants have preferred to close down until it is possible to look more than a month or two ahead.

With price restrictions on one side and wage demands on the other, businesses are being subjected to a kind of squeeze play. The result is that company officials have the responsibility of management without the authority to run their businesses as they think wise.

There are several other things contributing to the delay of reconversion. Under the present revenue law many businesses by the middle of the year have made just about all the profit they can hope to keep. Incentive is taxed right out of existence. Particularly this year, the promise of lower taxes in 1946 encourages the postponement of as much business as possible until after the first of the year.

One other unfortunate element is the delay in getting consumer advertising programs under way. People have formed the habit of getting along with the old car, the old office equipment, or whatever it is. There is a great deal of "must" buying in prospect but a common expression is, "I'm in no hurry to buy" and it is going to take some selling to maintain volume.

Time for a Miracle

For many years we have been encouraged to believe that the Government can perform economic miracles. Now, with labor asking higher wages and industry asking higher prices, everyone is staring at the Government, asking for one of "them there" miracles, right away quick. It will be interesting to watch the results of an attempt to juggle 10 thousand decimal points and an infinite number of human factors without fumbling any. Before the days of so many government controls it was recognized that the job of running an ordinary business was big enough for the average person.

Anyone who had experience during the war years with efforts to guide even one small sector of the economy such as the manufacture of baby carriage wheels or flower pots or anything you like, knows that it was more fun than a barrel of monkeys and more confusing.

In any case the Government has placed itself in a position where it is blamed if it does too much controlling and blamed if it does not do enough.

One thing, at least, that business, labor, the general public and probably the Government have in common is a fervent desire for a formula that will answer the price-wage question. From that point their views diverge. The Government wants a politically satisfactory result. Labor wants more money. Business wants to make things and sell them and the general public wants a good 5-cent cigar, a good \$500 car, and a lot of things.

The Forgotten Rabbit

There is one well-known rabbit that has not been pulled out of the hat, and that is competition which has demonstrated through the ages that it can control prices, costs, wages and improve the quality of products and services. If someone had invented this magic formula he would have been rated as an economic genius, but it was no more necessary to invent competition than it was to invent our hands and feet. Unless we make better use of this device the management job is too big for anyone to handle.

The Hard Way

Many of the business difficulties now facing us can be traced to the idea that when a man or woman becomes "the Gov'ment" he suddenly acquires a super-duper wisdom and administrative competence which no human being ever had. Many of the things they try to do are too big, not simply for the officials who happen now to be loaded with it, but too big for anybody. It is a case of doing it the hard way, like an executive with illusions of omniscience who bewilders everybody, particularly himself.

Cooperative action and discussions across the table can accomplish much in the over-all guidance of business, but a committee is no satisfactory substitute for competition. The way all big industries grew and the way little industries will grow is through freedom to compete and use their respective wits and advantages.

In any event, most of these troublesome questions of prices and wages will be determined finally by this ancient formula.

Our Esteemed Competitors

The competitive tradition places business at some disadvantage in the present instance. Made up of individuals and groups of an independent turn of mind, the forces of business have no instinct for making common cause. There is no one to speak for business as a whole or any considerable part of it, who has the authority to silence opposition and tell business what to do and think. Such a thing would be inconceivable in the American business picture, yet is every day routine with those who make their living by fighting business.



Congratulations... *to the Banking Profession on many jobs well done!*

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